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Column One

by

David Courtney

THE Western chancelleries are still diffident about Egypt. So is Israel. A tradition has come to an end, and come so swiftly to an end, that no one has grasped the implications of the change or had the courage to forecast what new system will take its place. There are no signs yet of any kind of counter-revolutionary movement. There is none, even, of any competitive revolutionary body. Among the old oligarchy there will be some who, frightened for their fortunes and reputations, calculate in privacy what chance there may be of destroying Mohammed Najib or at least of coming to terms with him. It seems to be a poor chance. The once all-powerful Wafd, skilled in the demagogic exploitation of the people's sufferings, could challenge the king but dare not challenge the king's successors; for the Egyptians have been given an alternative not merely to a splendid court but also to the governments, including the Wafd, which have ruled in the glare of the court.

IT is always possible that what Mohammed Najib seems to be building for Egypt will become in time as shoddy as what Zaghlul Pasha built; but it would be foolish to count on that. The assumption, common to many countries including Israel, that the Arabs are doomed to corrupt and tyrannical government until such time as there comes a bloody revolution from below, may not be as well-founded as experience suggests. It is reasonable to suppose, [illegible], that the State of [illegible] preparing for the [illegible] Arab worst, will [illegible] the notion of Mohammed Najib's coup turning into a well-founded social revolution. Egypt is by far the most important of Israel's neighbours; and what happens there will be decisive in the shaping of the Middle East. What it is that is happening doubtless has bemused the Government here as it has bemused more cunning governments; but in the long run its effects will more directly concern Israel than, for example, Great Britain. Israel, in short, cannot afford to remain bemused for long.

THERE are already certain straws in the Egyptian wind. Some of these are provided by the personalities of those appointed to high position by Mohammed Najib and Ali Maher. Mahmoud Azmi, who has been set to inquire into palace corruption, is a man of quite exceptional integrity and political honesty. Few men of any country have his high standards and his courage in asserting them. He is a splendid man by any reckoning and his choice suggests that Egypt's present rulers are not afraid to have among their advisers men of a genuinely progressive outlook. If such men are straws in the wind there is still, of course, the risk that a new tempest may blow them out of office and even back into the prisons where some of them, including Azmi, have spent so much of their lives. But the barometer seems not to be set for a new tempest. Even the Regency portends stable weather.

MUCH now depends upon [illegible] statesmanship in London and Washington. Until these two capitals make up their minds, Israel, also, must [illegible] to wait and see. Clearly, [illegible] and Ali Maher cannot [illegible] expected to forfeit all claims to Sudan or to submit to the occupation of the Canal Zone on present terms. It is a fair guess that the Western countries will be negotiating now with a stronger government than any before it; just as Israel may have to take account of a more stable, consistent and self-confident government in Egypt than any before. A Sudan formula, to ensure Egypt's Nile rights whilst holding in abeyance the sovereignty question, is thought in some London quarters to have become possible. Nahas' latest manifesto, which again rejects taking part in a regional command, is no indication of what Mohammed Najib thinks about that scheme; but there is no reason to suppose that the new rulers are anxious, in present conditions, to jump at Western baits. London and Washington both will have to act cautiously. There is little doubt that they are prepared so to act. For one thing, the prize, if they succeed, may be much better than it was before the coup.

Tel Aviv, August 4.

15th Olympiad Closes; Britain Wins Last Event

HELSINKI, Sunday.—The 1952 Olympic Games, the biggest ever held, ended today in brilliant sunshine with the U.S. the clear-cut winner over Russia in the unofficial team battle. The flags of the 70 nations that sent 5,780 athletes to Helsinki appeared in a final parade, and the Olympic torch was extinguished as the call was sounded for the youth of the world to assemble in Melbourne, Australia, in 1956 to compete in the 16th Olympiad.

The great bowl in which the Olympic flame burned brightly was brought down from its 72-metre tower dominating the stadium and placed at one end of the field. On the big notice board where results had flashed for two weeks was the inscription: "Great is triumph—greater far is noble combat."

The retiring President of the International Olympic Committee, M. Sigfrid Edstrom of Sweden, then mounted the rostrum to declare the games closed. He was thanked by Erik von Frenckell, Chairman of the Finnish Organising Committee and Mayor of Helsinki, who said the contest "once more proved to be an instrument for peace and happiness in the world. May they continue so forever."

Horsemen Compete

For the last day of the games, 52 crack riders from 20 nations brought their hazardous contest into the big stadium. Twice each man rode the course with its 13 barriers, with "bad points" scored for each fault. Britain won the team Gold Medal with only 40.75 demerits for its three-man team, followed by Chile 45.75, U.S. 51, Brazil 56.50, Germany and Portugal each 60, and Argentina 60.75.

Pierre d'Oriola of France won the individual Gold Medal.

The playing of the British and French national anthems brought to a dramatic end the long line of Olympic victory ceremonies during which the U.S. flag had been hoisted to the central pole no less than 40 times. By contrast Russia won only 22 first places.

The surprise of the games was the top-rank showing of the Hungarians, who finished third. Considering they had a much smaller team than the Russians and Americans they may be said to have done just as well. They have a wonderful swimming team and their footballers are equal to the best professionals in the world.

The "Man of the Games" was without argument the wonderful Czech Emil Zatopek; the "Woman of the Games"—the "Flying Australian," Marjorie Jackson.

Best "comeback" was the bid by the Danish mermaid Ragnhild Hveger Andersen to capture a title. Though she failed, she broke an Olympic record, and at the age of 31 put up a faster time than when 16 years ago she won a Silver Medal in Berlin.

The number of visitors to the Games was disappointing. The weather for the first week was partly responsible, as were also the high prices demanded for entry.

Finally, there were the usual "incidents"—a couple of brawls on the basketball floor and a scene in the swimming stadium over the water polo. But generally speaking the Games were marked by a high standard of sportsmanship.

Those who expected the Russians to be aloof and unfriendly were agreeably surprised. Moreover, they were good winners and good losers, and none were readier to congratulate a successful rival than the Russians.

(AP, Reuter)

(Olympic Round-up — P. 2.)

Olympic Broadcasts To Israel Too Costly

Direct broadcasts from Helsinki on the Olympic Games would have cost the Government $1,200, Mr. Moshe Perlman, head of the Information Services said in Tel Aviv yesterday. He was replying to questions asked in the press as to why direct news had not been broadcast from Helsinki over Kol Yisrael.

Technical arrangements had been made, Mr. Perlman said, but a few days before the Olympiad Kol Yisrael was informed that the service would have to be paid for in foreign currency. The sum was considered prohibitive, he said.

Settlement Near On Citrus Prices

TEL AVIV, Sunday. — An understanding on prices and payments between the Government and the citrus growers is believed to be near.

The growers expect to export 5m. cases of fruit this season, as compared with 3.7m. last year. The remainder of the estimated crop of 8m. cases would be divided equally between industry and the local consumer.

The Knesset set up a special committee to investigate the growers' claims, which heard the [illegible] Minister for Agriculture last week, as well as a delegation of the Citrus [illegible] Board. The committee will hear the Board again tomorrow.

ISRAEL SHIP SAVES LEBANESE SCHOONER

TEL AVIV, Sunday (ITIM). — An Israel vessel belonging to the Shoham company saved a Lebanese vessel from foundering and towed the sinking craft to a Cyprus port last week, it was learned here today.

The Israel ship, the 300-ton schooner 'Gavriel,' was on its way to Paphos, Cyprus, last Thursday to pick up a cargo of carobs when an S.O.S. was received from a vessel some eight miles off shore. The Gavriel hastened to the spot and discovered the Lebanese schooner Trada in trouble while on its way from Port Said to Paphos with a cargo of onions.

After the Lebanese captain had agreed to abide by international custom, which calls for a ship saving another to receive compensation amounting to a portion of the value of the vessel and her cargo, the Gavriel took the Trada in tow to Paphos.

Decree Issued On Land Off Coast

Sub-oceanic lands adjoining Israel's shores, and some areas outside of her territorial waters, are to belong to the State, according to a Cabinet proclamation made yesterday. Following the example of 28 other countries who have made similar declarations, Israel reserves the right to bore in all adjoining waters of workable depth.

Experts who inspected Israel's shores have found that undersea drilling is feasible in many places both within and beyond the territorial water limit. Under the new proclamation natural resources in these areas belong to Israel.

A bill to make this declaration a State law is to be brought before the Knesset, although by international law and precedent the proclamation would come into force without parliamentary approval. The Government, however, decided not to use the special dispensation.

The proclamation is worded according to the model regulations set up by the International Legal Committee of the U.N. which were presented to the Third General Assembly in 1951.

The Cabinet also discussed the crisis in the Jerusalem Municipality, which was put on the agenda by the Minister of Interior. The issue was discussed in general terms. The international aspect of the problem was not taken up.

The Government spokesman hinted that the spirit of the discussions did not indicate the intention to dissolve the Municipal Council and declare a new election. The Cabinet will discuss the issue again at a future meeting.

A number of draft bills were also approved. Among them was an amendment to the 1951 Financial Institution Loan Law.

The original law empowered the Minister of Finance to take loans from banks and other financial institutions up to IL.-

(Continued on Page 6 Col. 7)

Proclamation On Ocean Bed Title

The following is the text of the Government proclamation:

WHEREAS scientific investigations undertaken recently hint at the presence of minerals and other natural resources in undersea areas adjoining the Israel coastline; and

WHEREAS it is desirable to take steps to protect these resources and ensure their availability for research, exploitation, and development in the future; and

WHEREAS other states have taken steps to keep control of undersea territories near their shores;

The State of Israel hereby declares and announces publicly that:

1. *The area of the State of Israel is to include the floor of the sea and the subterranean area adjoining the coasts of Israel, and that outside the territorial waters up to a point where the depth of the water permits the exploitation of the natural resources of these areas.*
2. *Nothing in the above clause shall affect the status of the waters above these areas, and those outside the territorial waters of Israel, as waters of the high seas.*

Migration Group To Defray Part of Costs

The Provisional International Committee on Migration in Europe (PICME) will contribute $54 toward the travelling expenses of each immigrant from Eastern Europe to Israel, a spokesman of the Ministry for Foreign Affairs said in Jerusalem yesterday.

PICME was established after the International Refugee Organisation wound up its activities but it is not a successor body. Israel is a member of PICME.

The spokesman said that 1,200 immigrants will arrive shortly from Bulgaria, 120 from Hungary and a number from Poland. There was, however, no news of an actual stoppage of emigration from Rumania, he added, although none had actually arrived in recent months.

Asked about the German reparation talks, the spokesman denied reports that the Ministry had already received the final text of the agreement. The drafting has not yet been completed and negotiations are continuing, he said. Before an agreement is finally signed it will be presented to the Knesset Foreign Affairs Committee, the spokesman added.

The question of where and how such an agreement will be signed has not been discussed and no official suggestions have so far been received by the Ministry, the spokesman said.

Palestine Electric Eases Friday Restrictions

HAIFA, Sunday. — Restrictions on the use of electric cooking appliances will be abolished starting this week on Fridays between 1.30 and 7 p.m., it was learned from the Palestine Electric Corporation here today. This does not apply to the Jerusalem area.

The rotor of the 12,000-kilowatt Tel Aviv turbine, which was sent to the U.S. for repairs several months ago, will reach Israel at the [illegible] of this month. It will [illegible] two days to put the rotor in place.

F.M. 'Feelers' On Suez Blockade

The Ministry for Foreign Affairs has contacted a number of governments on the question of the implementation of the U.N. Security Council's decision on the Suez blockade, the Foreign Ministry spokesman said in Jerusalem yesterday. Results of these feelers may determine whether Israel will bring up the issue at the next meeting of the General Assembly, he added.

According to the latest information available here the question of Jerusalem has not been put on the Assembly's agenda, the spokesman stated.

Answering a question about the meeting of the Special Committee of the Israel-Egyptian Mixed Armistice Commission, the spokesman declared that Israel had already stated to General Riley her readiness to participate in such a meeting.

EGYPT CALLS OFF M.A.C. MEETING

A meeting of the Israel-Egypt Mixed Armistice Commission scheduled for today was called off last night by the U.N. Chairman, Major W. Fancher, after an Egyptian complaint, an Army spokesman announced in Tel Aviv last night.

Yesterday morning the M.A.C. met informally near the Gaza strip and decided to hold an official meeting today to discuss the strafing of an Israel fishing vessel by Egyptian planes on July 3. Last night, however, the Egyptians changed their minds saying that they were not prepared to deal with the Israel complaint until other complaints are taken up first, the spokesman said.

The Deputy Secretary of the Arab League, Ahmed Shukeiry, visited the Jordan M.A.C. delegation in the Old City yesterday, NEABS reported.

AFTER MIDNIGHT

Fourteen Communist leaders were arrested in north-west Nepal yesterday. According to reports from Khatmandu the police seized papers revealing plans for an armed Communist rising throughout the country.

Egypt's Regency Council to Take Oath Tomorrow

CAIRO, Sunday. — The new Regency Council will take the oath of allegiance before the Cabinet at a meeting on Tuesday, it was announced here today. It will then move to its headquarters at the Abdin Palace, winter residence of ex-King Farouk.

The ceremony has been delayed pending the arrival from Switzerland of Prince Abdul Munim, one of the Council, who has been urgently recalled and is expected here early Tuesday morning.

The Cabinet today delegated Minister of Social Affairs Zoheir Garrana to assume the Communications portfolio, which was left by Colonel Mohammed Rashad Mahanna to enable him to become a member of the Council.

The army continued to hand back to the police responsibility for internal security and all remained quiet throughout the country over the week-end.

General Mohammed Najib, C.-in-C. of the armed forces, today appealed to Mediterranean powers to begin a "new era of understanding and cooperation." He made the appeal in a talk with a deputation from the Italian community in Cairo which congratulated him on his success in the recent military action. Najib spoke in Italian.

Premier Maher's Cabinet is expected to resign as a formal move to enable the Regents to choose a new Premier if they wish. It is almost certain, however, that he will be reappointed. The Cabinet and the Regency Council are expected to remain in power until November, when the newly-elected Parliament meets to elect permanent Regents.

General Najib tonight met British Ambassador Sir Ralph Stevenson, but no statement was issued after the meeting. U.S. Ambassador Jefferson Caffery, who flew here from Alexandria for a meeting with Premier Ali Maher, today returned to the summer capital.

The temporary Regency Council appears to be a strong team. It includes a Prince, a prominent independent politician and one key figure drawn from the Army junta responsible for the July 23 military coup.

- Prince Abdel Moneim was a natural choice, being the second Prince in the realm. Prince Mohammed Ali is his senior, but he is in his middle seventies and ailing. Abdel Moneim is a quiet man enjoying considerable respect.
- Baha e-Din Barakat does not belong to any political party but came into prominence when the Hussein Sirry Cabinet resigned in mid-July and when, for a day or two, he was named as a possible successor. He has friends in all countries and considerable prestige in all walks of life at home.
- Colonel Rashad Mehanna was practically an unknown figure until Najib carried out his military coup. Then it speedily became known that Mehanna was one of his right-hand men and a few days ago he was appointed Minister of Communications. Mehanna is highly respected in young Army circles and will be not the least important member of the Regency Council.

Terrorists Kill Two in Sousse

SOUSSE, Sunday. — Two persons were killed and five seriously wounded when terrorists sprayed with sub-machinegun fire a crowd watching a beauty contest at Sousse Casino early today.

About 1,000 persons on the terrace of the Casino fled in panic when assailants opened fire from a nearby grove.

A Jewish merchant, Eli Amar, was killed, and a French employee in the Social Service Ministry, Active Mercier, died of wounds. Madame Mercier was wounded.

The contest to elect "Miss Sousse" was held after a gala soiree at the casino.

Police today reinforced their patrols in Tunisian cities. They believed the attack was a blow by Tunisian nationalists in an intensified campaign against Franco-Tunisian reconciliation on the reform plan which has been transmitted by the Bey to leading Tunisians with a request for their opinion on whether it should be accepted.

A senior French Foreign Office official is expected early this week to enquire into the rising tension in the territory. The consensus is that a showdown is approaching and the Bey is playing for time so that the U.N. General Assembly session in New York next October will be able to give him support.

Resident General Jean de Hauteclocque is awaiting new instructions from Paris where anger in official circles is visibly rising. The Bey's increasing aloofness and his near disregard of his nominal French masters does not augur well for French hopes of reaching an accord on the reform programme. (Reuter U.P.)

Plenary Truce Talks Again Adjourned

PANMUNJOM, Sunday.—Truce negotiators met in plenary session for the first time in a week today. No headway was made, however, and the Communists accepted a U.N. proposal for another week's adjournment of plenary sessions — until August 11.

After the meeting General William Harrison, chief U.N. delegate, said nobody had anything new to say this morning. General Nam Il, head of the Communist negotiators, had "reluctantly" accepted another adjournment after charging that the Allied delegation had "run away" from last week's meeting.

Gen. Nam Il again declared that the number of prisoners to be repatriated by the U.N. should be 116,000 rather than the figure of 83,000 advanced by the Allies.

Staff Officers Meet

Staff officers of the two sides met for 36 minutes following the plenary session. There will be another meeting tomorrow.

Peking Radio today broadcast that Gen. Nam Il had addressed a letter to the head of the Allied delegation inquiring about the fate of 238 Chinese taken prisoner by the Allies but allegedly not accounted for.

In the same communication Nam Il said that he had learned from escaped Communist prisoners that these prisoners had been compelled by the Allies to act as special agents for the U.N., and had been forced to bale out over North Korea for intelligence work. He protested against such use of war prisoners.

Superfortress bombers left a big Communist aluminium factory "non-operational" in the heaviest night raid of the Korean war on Thursday, the Far East Air Force said today. Seventy-three bombers attacked the plant, the North Korean Oriental Light Metals Company, near the Yalu River and levelled 22 of the most important of its 70 buildings, the Air Force said. (AFP, Reuter)

Afghanistan Bans News Of Farouk's Fall

KARACHI, Sunday (UP)—The Government of Afghanistan has supressed all news of the abdication of Farouk, according to a Pakistan broadcast quoting what it described as "reliable reports reached Peshawar yesterday."

Shortly after the abdication, according to Radio Pakistan, the King, Mohammed Zahir, conferred with the Premier and members of the royal family, and then ordered Kabul Radio and the Bakhtar News Agency to suppress all news of the abdication.

Underground pamphlets describing the abdication are being circulated in spite of secret police efforts, the report adds, with the slogan that "Mohammed will follow Farouk."

MOROCCAN PEOPLE'S PARTY FORMED

RABAT, Sunday (UP).—The Moroccan Peoples Party, which has nationalistic aims, held its first meeting at Oujda in Western Morocco yesterday under the leadership of its founder Abdul Kader Zemrani, son of Bakr Rahmani, who fought against the Riffs.

King Haakon Spends Quiet 80th Birthday

OSLO, Sunday (Reuter). — King Haakon of Norway celebrated his 80th birthday today by driving slowly through the streets of Oslo in an open car in pouring rain.

King Haakon

In an admiral's uniform, the King sat tall and erect at the back of a big Mercedes-Benz car, smiling and waving to thousands of his cheering subjects.

Mackintosh-clad crowds waited for hours under umbrellas to see their King. Outside hospitals the pavements were reserved for patients, cripples and old age pensioners who were carried out, well wrapped in raincoats.

Pace to Inspect U.S. Troops Abroad

WASHINGTON, Sunday (AP). — The U.S. Army announced today that Secretary of the Army Frank Pace left by air last night for Greenland and Europe to inspect U.S. troops abroad and to visit countries receiving U.S. aid. He will visit Greenland, Britain, France, Germany, Yugoslavia, Turkey, Greece, Italy and French Morocco.

Tito Extends Laws To Trieste Zone

LONDON, Sunday (UP). — The Yugoslav Government have extended their criminal and economic laws to their zone of Trieste, the news agency Tanjug reported.

They have steadily extended control of the area by virtually merging it with adjacent Yugoslav territory. The U.S. and Britain recently gave Italy increased civil authority in their zone.

ANZUS MINISTERS MEET TODAY

HONOLULU, Sunday (AP). — The Foreign Ministers of the U.S., Australia and New Zealand meet here tomorrow to discuss mutual defence under the ANZUS pact.

The Ministers will decide whether to set up a permanent H.Q. and military staff under the security treaty signed last September. A permanent diplomatic council will be established as the top administrative authority.

Labour, Employers to Study How to Increase Productivity

By MOSHE BRILLIANT

TEL AVIV, Sunday. — Factory personnel — both labour and management — will get nine-week courses in technique and methods of increasing productivity from instructors who completed an intensive course here today. This is part of a broad programme organized by Professor Hy Fish, of Roosevelt College in Chicago, consultant to the Israel Government on production and productivity problems, who is here for one year under the auspices of the International Labour Office, a U.N. specialized agency.

[illegible] Teams to Attend

The courses will be attended by teams from ten factories, comprising one representative each from management and labour. The groups will do intensive two-week classroom and laboratory work. Then each team will return to its factory to adapt the lessons learned to the problems of their respective plants under the direction of the instructors who will spend half-a-day a week in each factory. After six weeks, the entire group will reassemble to report to each other. Thereafter, they will meet once a month to discuss new problems and keep up to date.

Prof. Fish, in an interview today, said that the popular conception that there was "a direct equation between productivity and norms and premiums was not only erroneous but dangerous, in a way."

Problems Listed

He listed, in order of importance, the productivity problems as viewed from the factory level:

- Organisation, which meant the delegation of authority and responsibility to proper levels,
- Production layout,
- Planning and control of production,
- Improvement of methods,
- Training of workers,
- Human relations, and
- Norms and premiums.

The productivity courses for factory personnel are one of the means designed by Prof. Fish to deal with these problems. The instructors who today completed the course were from the staff of the National Productivity Institute and the Histadrut personnel assigned to the productivity committees. The group devised a training manual which will be the basis for the courses for factory personnel.

Other methods included programmes for factory engineers and a seminar for manufacturers. One seminar for 22 private industrialists has been held and Prof. Fish will begin another one tomorrow for managers of Histadrut enterprises.

"The real key to productivity," Prof. Fish said, "is understanding, interest and activity of top management."

From the top level, the problems were:

- Supplies of raw materials,
- Credit facilities,
- Incentives for management,
- Vocational training, and
- Diet and nutrition.

Prof. Fish has submitted a report to the Government on the overall problems.

Mossadegh Gets Wide Powers For Nine-Point Plan

TEHERAN, Sunday (Reuter) — The Majlis today gave Prime Minister Mohammed Mossadegh an overwhelming vote for special powers to implement his nine-point government programme. Powers to conduct military affairs were added to those originally requested by the Premier.

A demand for the withdrawal of U.S. military advisers was made in the Persian Senate today during a discussion on Prime Minister Mohammed Mossadegh's nine-point programme.

The Senate with one abstention approved the programme.

The demand was made by Senator Lesani, who also urged that the Government should nationalise the Caspian fisheries—the famous caviar-producing Soviet-owned concession in North Persia. The concession expires next October.

Senator Lesani further demanded that Russia should be asked to return 11 tons of gold blocked there.

Last Tuesday an independent Deputy, Mohammed Dowan Damawandi, also demanded the removal of U.S. advisers with the Persian armed forces.

The Majlis today decided to confiscate and distribute millions of rials worth of the property of ex-Premier Ghavam es-Sultaneh among the families of "National Martyrs." The property consists mostly of rich tea estates in Northern Persia and landed property in Teheran.

One exception was made—5m. rials will be given to Ghavam's wife and only son.

As the Majlis approved the bill—which now passes to the Senate for its approval—there was still no news of what had happened to Ghavam, who after being forced out of office a fortnight ago has been variously reported to have fled the country or to be in hiding.

General Yazdan Panah, who was appointed Chief of Staff of the armed forces after Dr. Mossadegh's resumption of the premiership on July 21, tendered his resignation for health reasons.

A reminder that martial law was still operating and that lawbreakers and demonstrators would be severely dealt with came from the Military Governor again today. It is believed these warnings are being repeated to forestall any pro-Communist moves to hold demonstrations on Tuesday.

The Shah's two sisters Princess Ashraf and her three children left Teheran by plane tonight for an "extended visit abroad."

(Reuter, U.P.)

(See Leader, p. 4)

19 Demonstrators Held in W. Berlin

BERLIN, Sunday (Reuter). — Nineteen youths, including seven girls were arrested on charges of resisting police and singing Communist "fighting songs" in the British sector of Spandau today, when 10,000 West Berlin unemployed youths were called to demonstrate against their City Government.

However, few supporters turned up.

Many of the anti-Communists who attended the demonstration in a British sector park wore black shirts.

Police with dogs controlled entrances to the park and only allowed those with West Berlin passes to enter. Hundreds of other special police equipped with radio cars and water hoses had nothing to do. Later, West Berlin police with truncheons dispersed a group of about 100 Communist youths attempting to march to the British sector district of [illegible].

Indonesia Lifts 11-Year State of War and Siege

DJAKARTA, Sunday (Reuter). — Indonesia has abolished the state of war and siege which has existed since 1941 but has imposed a new state of war in her territorial waters to help fight smugglers and illegal travellers.

Under a new measure armed forces can be used to help patrol the thousands of islands which make up Indonesia.

These steps were announced in presidential decrees issued here this week-end. A state of war is still being maintained in some "trouble spots" like West Java, South Celebes, Coram Island and the Riou Archipelago between Sumatra and Singapore to fight smugglers.

22 SCANDINAVIAN PILGRIMS ARRIVE

A group of 22 pilgrims from Denmark and Sweden arrived at Mandelbaum Gate yesterday afternoon for a tour of Israel, after having completed a tour in Jordan-held territory.

Several American tourists also crossed over from Jordan yesterday afternoon. Customs officials confiscated IL.25 from one of the tourists. (Itim).

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TOURISTS
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AND AT TOURIST SHOPS

Social & Personal

Rabbi Eliezer Waldenberg and Rabbi Bezalel Zolti were the guests at a ceremony in Jerusalem yesterday on the occasion of their joining the Jerusalem Rabbinical Court as judges. Among those present were the Chief Rabbis, members of the Rabbinical Supreme Court, members of the Rabbinical Court and representatives of the Ministry for Religious Affairs.

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Mr. Theodore Hatalgui, head of the Press Division of the Jewish National Fund, has returned from a mission in Europe.

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Mr. Ya'acov Morris has returned from a Keren Hayesod mission in Antwerp.

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Professor Ralph Pickett, Dean of the School of Education of New York University, and Mrs. Pickett, are leaving Israel today after a brief visit. Prof. Pickett, who is on a tour of institutes of higher studies, was received by officials of the Ministry of Education and the Mayor of Haifa.

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Mr. Chemjo Vinaver, the conductor and composer, has arrived from New York by invitation of [illegible]. He is to conduct the Kol Zion Lagolah chorus in several concerts. Mr. Vinaver is at present working on an anthology of Jewish music to be published by the Jewish Agency's Education and Culture Department in the U.S.

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Delegates to the Israel Dentists Association's conference were yesterday received by Mayor I. Rokach at the Tel Aviv Municipality.

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The first group of 16 physicians from Britain and one each from Austria and Argentina arrived by air yesterday to attend the Jewish Medical Conference which opens in Jerusalem on Sunday.

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An informal meeting of tourists and members with the visiting San Francisco State College study group will take place at 8.15 tonight (Monday) at the Israel Touring Club in Talbieh, Jerusalem. Professor Alexander M. Dushkin will be in the chair.

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MARRIAGE

BERENSTEIN — COHEN

The marriage took place in Jerusalem on August 1, 1952, of Isaac Berenstein, Agr. Eng., Rehovot, to [illegible] (Shoshanah), daughter of Mr. & Mrs. S. J. Cohen, of Washington, D.C. and Jerusalem.

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CONGRATULATIONS

Mr. Louis Wald, President of the Miriam-Esther Family Circle of the U.S.A., congratulates Alice Grosstein upon her engagement to [illegible].

JOHN CHANCELLOR DEAD AT 82

LONDON, Aug. 1 (Delayed). — The death occurred in Scotland on Thursday night of Sir John Robert Chancellor, High Commissioner and Commander-in-Chief in Palestine from 1928 to 1931. He was 82.

Sir John was the third British High Commissioner, after Sir Herbert (now Viscount) Samuel and the late Lord Plumer. His term was marked, and marred, by the riots against the Jews instigated by the Mufti in 1929, and which seven years later were to lead to the Arab revolt.

The Arab uprising of 1929 led to the inquiries which resulted in the White Paper of 1930, with its all but complete reversal of the Jewish National Home policy governing land sales and Jewish immigration.

Sir John Chancellor, who had begun with a vigorous denunciation of the Arabs for the massacre of Jews, particularly in Hebron and Safad, ended as an open advocate of the measures designed to remove the supposed causes of the Arab grievances. In the end, he found himself at cross-purposes with the Jewish community, the Arab leadership, and to some extent with the Colonial Office itself.

He was followed as High Commissioner by the late Sir Arthur Wauchope, a kinsman, who during his two terms worked hard towards a solution, but met with little success.

From his retirement, Sir John Chancellor, who was rarely heard on the Palestine question, came out in favour of Partition in 1948.

His son, Mr. Christopher Chancellor, is managing-director of Reuter.

SHIPS IN HAIFA PORT ON SUNDAY

VIKINGLAND, Sw., Fish, Gen. Cargo. RIO ELEN, Arg., Meat. SUNANLAND, Sw., Loading Cars. ARTZA, Is., Embarking Passengers. NADIR, Tur., Coal. ITALIKO, It., Wheat. DROMIT, Is., Gen. Cargo. HESPEROS, Pa., Prefab. Houses, Wood. KOMEMIUT, Is., [illegible]. DOBRUDJA, Bul., Kaolin.

SHIPS EXPECTED.

5.8 AVIGOR, Passe. DANIELA BURCHARD, Gen. Cargo, Mail. 6.8 VINGLAND, Prefab. Houses, Frozen Fish, Wood. IHASSAN, Wood. 10.8 EOS, Gen. Cargo.

EMERGENCY PHARMACIES

JERUSALEM: Bruchstein, Rehov Herbert Samuel, near Zion Cinema, 5575. Zichron Moshe, Rehov Yeshayahu, 4191. TEL AVIV: Kaizman, 22 Hayarkon, 2966. [illegible], 1 King George, 3791. [illegible], 61 Ben Yehuda, 62081. Bracha, 243 Dizengoff, 42487. Baruch, Hatikva Qr., 67885. Jaffa: [illegible], 6 Third St., 88215. HAIFA: Assuta, 96 Herzl, 2904. [illegible], Kiryat Motzkin, 7362.

Payments from Germany Must Be Exploited According to Plan

POST Economic Correspondent

SOME four or five months ago the Minister of Finance asked Prof. Throne, an engineering expert who has served as an adviser to the Government for more than a year, whether he was willing to help with the projects to be carried out with the reparations payments from Germany. Prof. Throne answered that he would do so on the condition that the reparations be earmarked for basic development projects. This condition was accepted and Prof. Throne started work immediately. A house in Jerusalem was found and fitted out for the staff-work, officials of various ministries were appointed to gather the necessary information. When the researchers learned that they had to plan not for some months but for ten years ahead, they began to understand the importance of the work and cooperated in the effort to draw up a comprehensive plan. This was rushed to completion some weeks ago and sent to the members of the interministerial committee which had been appointed to deal with the issue. The report was not even confirmed, however, and it is not yet known what the Government intends to do with it.

Power and Communication

Professor Throne who has worked at planning for basic industries in many countries—Russia, China, Korea and India — and who has made surveys of industrial conditions in this country, which have been incorporated in a number of reports to the Treasury and other departments, came to the conclusion that development in Israel depends on a sufficient and cheap supply of electric power and on a network of modern communication. As a large part of the country is arid and depends for agricultural production on artificial irrigation expansion of the irrigation network is also of first importance. Prof. Throne maintains that only if development in these three basic fields has been made can other activities succeed. He proposes to start not by establishing industries which afterwards will be unable to work owing to lack of transport and power but by creating the "living conditions" for modern production.

It must be realized that this plan is the only one which has, until now, been worked out. It would be only logical for the Government to publish it for discussion and to place it before the Knesset. It this is not done without delay a strange situation must arise. Germany will perhaps be ready to make the first deliveries in October. When will Israel decide how these goods are to be exploited?

Payments from Germany are public money and must be expanded under public supervision and according to a thoroughly thought out plan. Their use must be supervised by the Knesset in the same manner as other public funds. If this is not done there will be a scramble for the goods which are to be brought from Germany; and there are already very disturbing signs that vested interests and pressure groups are on the lookout for the spoil. What is more, Government departments have drawn up lists for orders and sent them abroad although the lists do not conform to an overall plan.

It must first be decided what part of the reparations is to be used for short-term requirements. It might be better if the whole amount could be must bring about serious set aside for basic development, but there appears to be little hope for that, as the financial plight of the Government is too great. Then the Knesset must pass a bill earmarking a certain percentage — at least half! — for long term projects. In addition the House will have to provide for a development authority, assure it of all the goods to be brought in and of the local currency needed for basic development. This authority must be responsible to the Cabinet.

This must be done before the recess because otherwise the whole issue will hang fire until the winter when the Knesset reassembles.

It must be realized that lack of preparation in this field will not only cause us to miss a unique opportunity to begin stabilizing conditions in this country, but will also create a very severe danger for Israel's economy. Flooding the country with goods which are ordered haphazardly and without a comprehensive plan upheavals which we shall be unable to control. Ordering goods on such a scale requires a thorough knowledge of Israel's economy as well as of German industry. Without that we will have valuable machinery but no means to install it. We shall fritter away huge sums on unimportant wares. It is therefore necessary that a man with the necessary qualifications be found to head the development authority. If he is not to be found in the country he must be brought from abroad.

The main thing, however, at the present moment is to break the ice and start a public discussion of the issue. This will set the ball rolling and force the Knesset and the Government to take action.

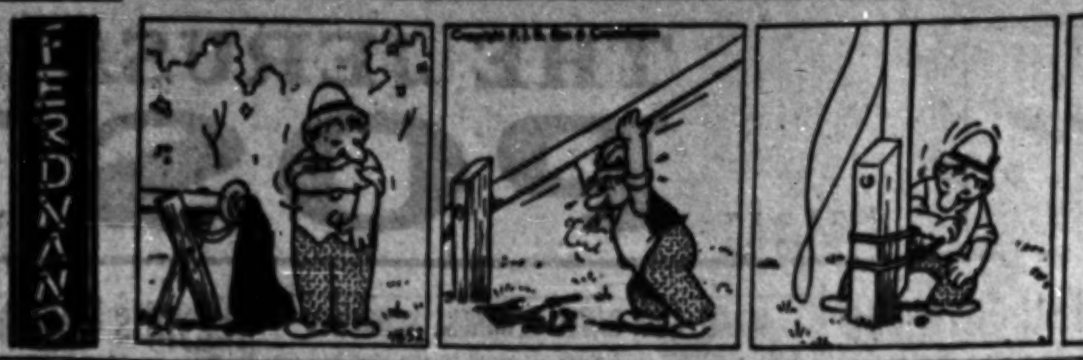
Ata Textiles Working At Maximum Capacity

The Ata Textile Co. Ltd., of Kfar Ata, is at present working almost at maximum capacity — in two or three shifts. Last year's enlarged activities are reflected in the gross and net profits, both of which have almost doubled. Gross profits advanced from IL.162,000 in 1950 to IL.317,000 in 1951, and the net profit from IL.68,000 to IL.118,000.

The dividend on ordinary shares to be proposed at the forthcoming general meeting on August 10, will be four per cent in cash, less tax, and five per cent capital bonus in shares. In 1950, it was four per cent, less tax, and three per cent bonus.

The 1951 balance sheet, shows that during the past year about IL.250,000 was invested bringing the fixed assets up to IL.1,065,000.

The company, early this year, took the necessary steps to provide new means for further expansion during the current year and to meet the increased requirements following the new currency regulations. The issue of new shares and the conversion of preference into ordinary shares has added approximately IL.700,000 in cash.



REVIEW OF OPINION IN YESTERDAY'S PRESS

U.S. and U.K. Reach Accord On Middle East Command

According to the latest news, almost complete agreement has been reached between the U.S. and Britain with regard to the establishment of a Middle Eastern Command and the appointment of Lord Mountbatten — says "Haaretz" (Independent). The crisis has been resolved at this time at least partially because of growing concern over the situation in Persia and Egypt. Britain sees the Mediterranean mainly as a vital supply link with the Commonwealth while the U.S. regards it chiefly as a potential base. "Haaretz" expects the publication of an official announcement on the M.E. Command after the conclusion of technical agreements concerning the form of the command.

"Hamodia" (Agudat Israel) says that there are several signs of an impending change in the attitude of the West towards the Arab states and Israel. Our Government should explain to the Western powers that there is no sense, from their point of view, in appeasing the Arabs. "Our place is in the Western camp," continues the Aguda paper. We should make clear our conditions with regard to our adhesion to the Western defence pact, which would safeguard our defence in the case of a Russian attack and at the same time give us a considerable advantage vis a vis the Arab states.

'Peace' Petition

"Kol Haam" (Communist) comments on the peace demonstration to take place on Tuesday when a "mass delegation" will hand over to the presidium of the Knesset the peace appeal which was allegedly signed by 400,000 citizens. An interesting change appears to have taken place in the text of the appeal: when it was circulated, it read that the undersigned are opposed to any rearmament of Germany. According to yesterday's issue of "Kol Haam" this seems to have been a misunderstanding because the appeal now makes this demand only with regard to Western Germany.

"Davar" (Histadrut) comments on the meeting of 150 former pupils of agricultural schools at which Israel youth was again called to go to the land, to enlist for helping new settlers and to strengthen our national economy by increasing agricultural production. The paper says that we need another 50,000 peasants to prevail over the wilderness and uncultivated areas and to get the necessary food. The paper says that the symbol of the first pioneer settlers might still excite the youth and provide additional impetus in the movement "to the soil."

Mass Immigration

Without permanent mass immigration the State of Israel will lose its main aim — says "Hatzofe" (Hapoel Hamizrahi). Moreover, the country needs additional manpower to strengthen its agriculture, industry and national security. The difficult material situation of many of the new immigrants is not the only factor which has a negative influence on immigration: much depends on the general way of life, culture, and education, and in this regard the paper stresses the importance of Jewish religion which should be attributed more weight. "Hatzofe" refers to the new development budget and notes that the Minister declared that the present restricted immigration is a passing phenomenon and that we should prepare ourselves for absorbing another big wave of immigrants.

"Ben" says in "Haaretz" that the traffic restrictions might have lowered fares but that at the same time they caused a waste of fuel. When there was a great demand for taxis and lorries, there were more or less efficient arrangements providing for a rational exploitation of the existing facilities. Now [illegible] the paper mentions, as an example, the special service established by the Negev companies for transporting their products to Haifa, while lorries bringing food supplies to the Negev return empty.

Jews Acused of Aiding Discrimination

LONDON, Sunday (INA). — "The Jewish working people will never forget the racial discrimination applied against them by the former bourgeois landowner regime in collaboration with the Jewish middle class," M. Bercu Feldman said, speaking on the new Rumanian constitution.

He was described in the Bucharest broadcast which was quoted by the B.B.C. as "Secretary General of the Jewish Democratic Committee."

"Thanks to the just policy of the Workers Party," M. Feldman said, "the Jewish people has its own deputies in the People's Council, its own State schools where Yiddish is taught and a State theatre."

Olympic Team Championship Won by U.S. Over Russia

HELSINKI, Sunday (AP). — The United States came storming from behind with a bare 24 hours to spare to pass Russia and win the team championship of the 1952 Olympic Games with 610 points to 553½. In winning five boxing championships, American boxers registered the biggest number of victories ever carried in Olympic annals—to cap off a heavy scoring day that included a sweep of the women's high diving and Ford Konno's surprising victory over Japan's great Shiro Hashizume in the 1,500m. freestyle swim.

The points table, based on the 10—5—4—3—2—1 system for the 1952 Games, is:

1. U.S., 610; 2. USSR, 553½; 3. Hungary, 309; 4. Sweden, 267; 5. Germany, 165½; 6. Finland, 162½; 7. Italy, 153¾; 8. France, 148½; 9. Czechoslovakia, 113½; 10. Great Britain, 105; 11. Australia, 97; 12. Switzerland, 93½; 13. Japan, 71; 14. South Africa, 65; 15. Denmark, 58; 16. Argentina, 55; 17. Norway, 54; 18. Netherlands, 44; 19. Iran, 40; 20. Jamaica, 39; 21. Turkey, 36; 22. Belgium, 34; 23. Rumania, 31½; 24. Canada, 30.

Points Breakdown

A break down of the American and Russian totals points is (U.S. first): track and field — men: 224 and 37; women: 11, 70½; women's gymnastics: 0, 90½; men's gymnastics: 0, 93¾; Greco-Roman wrestling: 0, 56; free style wrestling: 26,34; rowing (crew): 24,20; shooting: 15,30; canoeing: 15,7; yachting: 25,0; men's swimming: 93,2; women's swimming: 48,6; equestrian: 5,0; men's fencing: 3,0; women's fencing: 4,0; pentathlon: 4,5; weightlifting: 30,40; water polo: 3,0; basketball: 10,5; boxing: 50,24.

In addition to their strong showing in the above events, America's towering basketball team beat Russia 36-25 in the final championship game, characterized by Russia's freezing tactics. Only two equestrian events remain to be completed today and the imposing American lead in unofficial points is only beyond challenge. America's championship fighters not only gave them the boxing team title but won two more first place medals than the previous high showing—three in 1932. Russia's two finalists both lost. The only finals encounter between the U.S. and Russia gave Charles Adkins, U.S., a split decision over Viktor Mednov in the light-welter division. Floyd Patterson was the only winner by a knockout when he flattened Vasile Tita (Rumania) in 27 seconds in the first round of the middleweight final. Laszlo Papp, Hungary, was the only 1948 champion to retain the title when he took a 3-0 decision from G. Van Schalkwyk, South Africa, in the light-middleweight class. Other winners were (apart from results given in Sunday's story proper): Pentti Hamalainen (Finland) won a split decision from John McNally (Ireland), bantam; Jan Zachara (Czechoslovakia) gained a split verdict in the feather-weight against Sergio Caprari (Italy); Aureliano Bolognesi, Italian lightweight, was awarded a 2-1 decision over Aleksy Antkiewicz (Poland).

GAMES HIGHLIGHTS

Mrs. P. McCormick, U.S., became a "double" diving winner when she took the high board event in front of two other American competitors. The results were: 1. Mrs. P. McCormick, 79.37; 2. Paula Jean Myers (U.S.), 71.63; 3. Mrs. Juno Stover Irwin (U.S.), 70.49; 4. Nicole Pellissard (France), 69.80; 5. Phyllis Long (Gt. Britain), 63.79; 6. Tatiana Vereina (Russia), 61.89; 7. Diana Spencer (Gt. Britain), 60.74; 8. Evgenija Boglanovskaja (Russia) 57.38.

In the final basketball match between the U.S. and U.S.S.R., the Americans made 54 shots at the basket and sank a mediocre 13, for an average of 240. Russia made 29 attempts, and sank eight, for an average of 27½. The victory kept the American record spotless, for the U.S. has won every basketball championship since the sport was introduced into the Games in 1936 and has never lost an Olympic Game. The Russians and Americans shook hands all round when the game ended.

After a lengthy conference, the jury decided that France was the winner of the bronze medal in the cycling road race, with Sweden (previously thought third), placed fourth, Germany, fifth, and Holland, sixth. Belgium, with first and second spots, as reported Sunday, easily retained the Olympic road racing team championship which they won in London in 1948. The winner André Noyelle is 20 years old and Robert Grondelaers, 21. After Edi Ziegler (Germany), third, came H. Victor (Belgium) fourth.

American Negro athletes are "boiling mad" over reports in the leftist European Press using them as "alibis" for America's success in the Olympic Games. One Helsinki newspaper "Vapaa Sana" (People's Democratic Front) said "American Negroes, who at home live as pariahs, now in the Olympics are good for saving medals for the American honour..." Norvel Lee, America's great Negro light-heavyweight boxing champion, said the articles were "a lot of bunk." "Why, my American ancestry traces back five or six generations," he said. "I am a true American and I am proud of it. The United States is a melting pot of many nationalities. All of them have contributed to the success of our team—Hawaiians, Koreans, Irish, English, Scandinavians—all of them."

Over 58,000 crowded the Olympic stadium—the biggest crowd to turn out to watch a soccer game there—to watch Hungary win against Yugoslavia by 2-0. There was no score at halftime.

Jerusalem Cinemas

3.30, 7 & 9 p.m.

ARNON: The Forsyte Woman.
EDEN: The People Against O'Hara.
EDISON: Faithful City.
ORION: The Day the Earth Stood Still.
STUDIO: Happy Go Lovely.

STOCK MARKET

TEL AVIV

Aug. 3		Rise or Fall
Govt. Loan		
5%—1951 (reg.)	101	+1
—1955 (reg.)	100½	+1
—1956 (reg.)	100½	+1
Pop. Loan		
1949/69 (IL.10)	99	—
1950/73 (IL.10)	97½	—
3½% Tourist Dollar	177	—
7% Nat. Loan (bought)	[illegible]	+½
B. Leumi Ord. sh.	215	—(a)
A.P.B. Invest.		
6% Debs. 50/70	[illegible]	—
7½% Pref. sh.	101	—
Ord. sh. "B"	111½	—
Gen. Mortg. Bk.		
6% Debs. 48/63	87½	—
6% Pref. sh.	87	—
Hapoalim Debs.		
6% 46/56	93½	—
6½% 52/64 reg.	60½	—
Nir Ltd.		
6% Debs. 38/58	91½	—
7% Pref. sh.	[illegible]	—
7½% Pref. sh. reg.	[illegible]	—
Anglo-Pal. "B" sh.	175½	—
Pass Debs.		
6% 42/62	87½	—
P.I.D.C.		
6% Pref. sh.	181½	—
Ord. sh.	152	—
7% Debs.	113½	—(a)
Afr.-Pal. Inv. Ord. sh.	144½	—2
Rassco		
6% Debs. 38/63	77	—
6% Pref. Ord. sh.	96	—1
Pal. Potash 6% Pref. sh.	28/-	—
"A" Ord. sh.	24/3	—/6
Pal. Elec. Ord. sh. (Isr.)	25/3	+/3
Mekoroth Pref. sh.	[illegible]	—
Ata 6% "C" Pref. sh.	[illegible]	—
Ord. "B" sh.	136	—1
"Tova" Ord. sh.	105	—
Lodzia 6½% Pref. sh.	132½	—½
"Kedasah" Ord. "B" a	128½	+3
S.A. Binyan Ord. sh.	[illegible]	—
Pal. Cons. Tr.	70½	—
Pal. Bonus Bd.		
Ser. 1	87	—
Ser. 2	[illegible]	+1
Ser. 3	87½	—1

Note: a) purchasing price; b) selling price; c) ex coupon; d) ex rights.

EUROPEAN BEDROOM FURNITURE
(Caucasian Nut)
FOR IMMEDIATE SALE
owing to departure.
Loewenthal, 24 Rav Kook(?), Jerusalem.
(Bus No. 5, to Tnuva Stop).

On Tuesday, July 29 at 11.30 a.m.
LEFT IN EGGED BUS
Jerusalem-Tel Aviv, at Saris, by Cohen-Sasson Mousa — a rucksack containing Iranian Passport, No.320980, in the name of Cohen Sasson Mousa. Two Immigration Certificates of Moshe Cohen and Moadim Lasimcha, wallet with different papers, 5 shirts, a coat, IL.40 cash and other clothes.
Please return the documents only to Maheri Ezra, Maccabi Hahadasha, 8 Reh. Tel-Zayin, T.A.

ON THE AIR

JERUSALEM: 467 M.; HAIFA: 269 M.; TEL AVIV: 41.5, 33.3 & 523 M.

NEWS: Hebrew: 7 a.m., 7.30, 12.00, 1.30, 6.15, 8.30 & 11.00 p.m. Arabic Programme (including News): 6.30 a.m., 2.15 & 6.30 p.m.

6.30 a.m. Service. 6.35 Exercises. 6.45 Musical Clock (R). 7.15 Melodies (R). 8.30 Close Down.

10.00 a.m. Music While You Work (R). 11.00 Requests (R). 11.40 Housewives' Corner. 12.02 Programme for Hospitals (R). 12.30 Concert Hall: Suite No. 2 in B minor for Flute & Strings (Bach); Oboe Concerto (Corelli); Symphony No. 8 in F major op. 93 (Beethoven). 1.45 Break for Music (R). 3.00 Close Down.

4.00 p.m. Variety (R). 4.30 Musical Miniatures (R). 5.00 Piano Recital (R). [illegible]. 5.30 Child's Corner. 5.45 Children's Hour. 7.00 Variety. 7.00 Programme Announcements. 7.10 "Kol Yisrael" Orchestra: Conductor: Hanan Schlesinger. Soloist: M. Lawrence. 7.45 Radio Literature. 8.00 "Mile Stones." 8.34 Bible Reading. 8.40 Moshe Pearlman Series. 9.00 Bialik's 70th Anniversary. 9.45 "Variations for Piano" A. [illegible] & A. Sachs. 10.15 Folk Songs. 10.35 "Nocturne". 11.05 Close Down.

SECOND PROGRAMME

449, 228, 217, 41.9 M.

English News 1.45 p.m. 10.15 p.m.

4.00 p.m. "Periods & Personalities in Music," by Dr. P. Gradenwitz. 4.45 Message to Immigrants. 5.00 Programme for Yemenites. 5.20 Pirkei Avot Lesson. 5.30 Science Studio. 5.50 Story. 6.00 Agricultural News. 6.15 Close Down.

Immigrant's Hour (33.3, 41.9 & 449 M.): French: 6.30 p.m.; Ladino 7.00 p.m.; Yiddish: 7.30 p.m.

Kol Zion Lagolah (33.3 M.): 11.15 p.m. Newsreel. 11.30 "Learn a Song." 11.45 "The Man in the Street."

ARMY PROGRAMME: (44.6, 216, 225 & 229 M.): 6.30 Opening. 6.35 Recital: F. [illegible]. 7.00 Requests. 7.30 Today's Events. 7.35 "The Soldier as a Civilian" —Report. 8.00 Musical Quiz. 8.30 News. 8.45 Symphony Concert: Works by Tschaikovsky & Schubert. 10.00 Close Down.

VOICE OF AMERICA: Hebrew Programme: 9-9.30 p.m. (13, 16, 19 & 25 M.): Agriculture Today.

B.B.C. HEBREW BROADCASTS: (24.92 & 19.42 M.): 7.30 p.m. News. 8.00 Close Down.

AT THE CINEMA

AT last "Faithful City" (Edison, Jerusalem) has come to Jerusalem where it was expertly produced and directed by Josef Leytes, one of the two leading pre-war Polish film-directors. The script is unmistakably influenced by the classic Ekk-Bataloff-Soviet picture "The Road to Life" and Radvany's Hungarian post-war semi-documentary: "Somewhere in Europe." Small wonder that it has a special appeal to the Jerusalemites who faithfully participated in the siege of the city. This reviewer has never before witnessed an Israel picture as absorbing.

The story about the arrival of a group of youngsters from the inferno of Hitler-Europe and the Lower Depths of the Orient is not new. But the realistic approach is an achievement; there is no pseudo-heroism, and the various character types are not glamourized. At the end we are involved again in the invincible spirit of the people, one homogeneous body of brothers and sisters, which sprang up during the siege of our faithful city, when any difference of age, descent and profession vanished. It was thrilling to hear again the proclamation of the State of Israel: there was no prouder day in our lives.

The types and characters of the children as well as their teachers are true to life, and the boy-actors are as authentic as the professionals — Ben Joseph, Tuvia Gruenbaum, Jami Smith and Didi Ramati.

Whodunit?

"THE People Against O'Hara" (Eden, J'lem) is a long-winded but well contrived murder mystery about a young man called Johnny O'Hara (well-portrayed by Pat O'Brien), who is accused of the crime because he was seen carrying a gun and tried to escape the police. The suspect is suffering from a war neurosis. Spencer Tracy gives a first-rate character study of a drunkard-advocate fighting an embittered struggle against a gang of sinister persons. John Hodiak is the attorney-general and Diana Lynn provides the so-called love interest.

No People like Show-People

"MY Dream is Yours" (Zion, J'lem) is an average technicolor musical with a familiar story line. Doris Day's crooning has an immediate appeal. Eve Arden's husky-voiced career woman has a Dry-Martini-touch. The male leads are Jack Carson and Lee Bowman, with the support of such brilliant old-timers as Adolphe Menjou and S.Z. Sakall. The tunes are Harry Warren's.

FRANGO

Where to go

★ JERUSALEM ★

8-7: Jerusalem Biblical Zoo Romema. Bus 15. Feeding time: 2-3 p.m.
9-1, 3-6: Exhibitions: British Book Design 1952, under auspices of the British Council. [illegible] Sculpture. Exhibit of the Month: [illegible] Etching by Rembrandt Harmensz van Rijn, 1606-1669, on loan from the Schocken Library, Jerusalem. Bezalel Museum.
9-1: Art Library Bezalel Museum.
10-4: Archaeological Exhibition, Dept. of Antiquities. Also: Temporary exhibition—Recent acquisitions. 23 Rehov Shlomo Hamelech.
10-5: Sanhedria Tombs.
11-1; 5-7: Exhibition of Children's Art. Israel Touring Club, Talbieh.
10-1; 6-9: Memorial Exhibition: Oils, Gouaches and Watercolours by Aharon Avni. Artists House.
9 p.m.: "Fanny." Film Appreciation Society. Y.M.C.A. Hall.
11.30-12.30: Film shows at Keren Hayesod Head Office.

★ TEL AVIV ★

10-1: Exhibition of oils, gouaches and drawings by [illegible]. Museum.

★ HAIFA ★

9-1.30: Technical and Scientific Library — [illegible].
10-1, 4-6: Exhibition of Sculpture by [illegible]. Municipal Museum.

★ RAMAT GAN ★

9 p.m.: Li-La-Lo Theatre, [illegible].

★ PETAH TIKVA ★

9 p.m.: [illegible].

THE LONDON AND LANCASHIRE INSURANCE COMPANY LTD. AND SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 1950

1949 £		£	1949 £		£
	Transferred from —		710,156	Dollar Exchange Adjustment	—
868,404	Fire Account	880,454	709,536	British Income Tax on Profits to date	676,938
432,106	Accident and General Account	304,442	331,503	British Profits Tax on Interest and Profits to date	451,061
440,000	Marine Account	450,000	100,000	Transferred to Staff Pension Fund	120,000
4,080	Fixed Term Account	6,863	12,500	Contribution to Staff Widows' Fund	15,000
	Life Profits — Shareholders' Proportion:		450,365	Dividends, less Income Tax	535,681
30,284	One-fifth Quinquennium 1945-1949	30,284	3,190,054	BALANCE carried forward	3,701,388
504,198	Interest (less Income Tax)	682,668			
198	Transfer Fees	202			
2,317,284	Profit for the Year	2,344,914			
3,236,922	BALANCE brought forward	3,190,054			
£5,554,206		£5,534,968	£5,554,206		£5,534,968

CONSOLIDATED BALANCE SHEET ON DECEMBER 31, 1950

1949 £	LIABILITIES		£	1949 £	ASSETS	£
5,000,000	Capital: Authorised	£5,000,000			Investments, less reserves	
3,639,310	Issued and fully paid		3,639,310	1,189,971	Buildings, less amounts written off	1,461,001
2,000,000	General Reserve		2,000,000	488,121	Mortgages	586,630
19,469,968	Provisions for Unexpired Risks and Reserves, including balance of Profit and Loss Account		21,257,778	22,520,514	British Government and other securities	24,612,685
519,880	Staff Pension Fund		551,254		Current Assets	
229,182	Net Dividend due May 18, 1951		310,679	5,015,741	Cash in hand, with Bankers and on Deposit	6,073,381
3,606,347	Claims admitted or intimated, but not paid		5,157,894	4,043,353	Branches' and Agents' Balances	5,006,858
742,759	Balance of Reinsurance Accounts		984,780	128,116	Interest accrued	151,086
3,215,861	Sundry Creditors & Reserves		4,142,838	37,534	Sundry Debtors	68,850
14,108,067	Life Liabilities		14,393,304	14,108,067	Life Assets	14,393,304
£47,528,494			£52,446,425	£47,528,494		£52,446,425

AUDITORS' REPORT

We have examined the above Consolidated Balance Sheet and Consolidated Profit and Loss Account of The London and Lancashire Insurance Company, Limited and its subsidiaries with the audited accounts of those Companies, certain of which have not been audited by us. Subject to the foregoing, such Consolidated Balance Sheet and Consolidated Profit and Loss Account, in our opinion, give a true and fair view respectively of the state of affairs and of the profit, ascertained in the manner indicated therein, of the Company and its subsidiaries, so far as concerns members of The London and Lancashire Insurance Company, Limited.

London, February 15, 1952.

(Sgd.) HARMOOD BANNER, LEWIS & MOUNSEY,
Chartered Accountants.

ISRAEL PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 1950

DEBIT	IL.	IL.	CREDIT	IL.
Transfer from Fire, Accident, Marine and other Insurance branches business (including Pending Claims at the beginning and end of the year — as estimated)		14,180	Loss for the year	22,443
General Expenses not debited to other Accounts:—				
Head Office	7,594			
Local Offices	669	8,263		
		IL.22,443		IL.22,443

AUDITORS' REPORT

We have examined the above Israel Profit and Loss Account and have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion and to the best of our information and according to the explanations given to us, the said Profit and Loss Account gives a true and fair view of the results of the business of the Company in Israel for the year ended December 31, 1950.

Haifa, July 20, 1952.

(Sgd.) RUSSELL & CO.,
Chartered Accountants, Auditors.

THE CONSOLIDATED NEAR EAST COMPANY LIMITED
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THE HEBREW NATIONAL
OPERA
TEL AVIV — Habimah
Tomorrow, August 5 — 8.30 p.m.
REHOVOT — Bet Ha'am
Sunday, August 24 — 8.30 p.m.
"Faust"
Opera in 5 Acts by C. F. Gounod
with
MARTIN LAWRENCE
of the Covent Garden Opera in London as Mephisto.
• • •
[illegible]
Conductor: M. GOLDSTEIN
Tickets: Rolin, 47 Allenby Rd., Tel Aviv & at the Habimah Box Office.

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GARDEN-BAR
RAMAT GAN
Tel. 7161
Tuesday Aug. 5
Wednesday Aug. 13
2 EVENINGS
with the American Star
SUE COLEMAN
SANDU MARCU
Dance Orchestra

Today's Post Bag

THE WEATHER

	A	B	C	D
Mt. Cana'an	[illegible]	[illegible]	[illegible]	[illegible]
Haifa	[illegible]	[illegible]	[illegible]	[illegible]
Nahariya	[illegible]	[illegible]	[illegible]	[illegible]
Tel Aviv Port	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lydda Airport	[illegible]	[illegible]	[illegible]	[illegible]
Jerusalem	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

(A) Humidity at 2 p.m. B) Minimum temp. C) Maximum yesterday. D) Maximum temp. expected today.

• • •

A RADIO valued at IL.[illegible] was stolen from the car of Dr. L. [illegible] — Jerusalem on Saturday night. The car was found parked on King George Avenue yesterday at [illegible] after it was taken from in front of the doctor's house in Rehov [illegible].

• • •

A FOUR-YEAR-OLD girl, [illegible], of the Talpiot ma'bara in Jerusalem, was bitten by an unlicensed dog on Saturday.

• • •

THE HUT of Ya'acov [illegible] in the Talpiot ma'bara was destroyed when a jeep crashed into it yesterday morning.

• • •

THE TEL AVIV municipal maternity and child welfare centres at 10 Rehov [illegible] and 10 Rehov [illegible] were re-opened yesterday after being closed for more than a month.

• • •

THE FIRST Local Council of [illegible] was formed yesterday 11 years after the founding of the [illegible] settlement by 50 families from Yemen.

• • •

THE FOUNDING meeting of the [illegible] Ha'oseh Association in Haifa will be held at Bet Hapoalim, Wingate Blvd., at 8.30 tomorrow evening.

18 Haifa 'Knights' Receive Citations

HAIFA, Sunday. — Eighteen Knights of The Road in the Haifa area received citations for courtesy and careful driving from the Haifa Zehirut Safety League and the Traffic Police at the Panorama Hotel this evening.

Among them were two Haifa drivers, Mr. Yehuda Dretler, of the Yael Cooperative, and Mr. A. Margolit of Egged who received medals as "Knight of Knights" for the country, and for Haifa respectively. Mr. Dretler was cited as one of the first drivers to volunteer for the Elath route.

He saved many people from possible injury by stopping a runaway bus at the Elath airport with his own body. He was hospitalized for a month as a result.

Mr. Margolit was recommended to the Safety Committee by dozens of letters from Haifa bus passengers praising his outstanding courtesy. He has driven for 17 years without an accident.

Bomb Suspects, on Hunger Strike, Hit Jail Conditions

Jerusalem Post Reporter

TEL AVIV, Sunday (ITIM). — Amos Keinan and Shaltiel Ben Yair, charged with bombing the apartment of Mr. D.Z. Pinkas, Minister of Communications, last month have been on hunger strike since Friday in protest against being put in solitary confinement in Jaffa prison and at their prior detention with other criminals. The trial before District Court Judge I. Zundelevitch opened today as scheduled, but was postponed to a date to be set later.

When the two accused were brought into the packed courtroom this morning they appeared weak, were unshaven, and their clothing was unkempt.

After Mr. Y. Hagler had announced that he represented Ben Yair, Keinan rose and said he was not represented by an attorney today and wished to make two requests: to be permitted to explain the reason for his hunger strike, and to request a postponement of the trial as his lawyer, Mr. Y. Hoenigman, was ill, and his new advocate, Mr. A. Levitsky, was busy and could not attend the Court at present.

The Judge said he could allow the first request, but asked Ben Yair's lawyer if he had any objections to a postponement. Mr. Hagler said he did not object, although it meant additional hardship to his client. He was interrupted by Judge Zundelevitch when he sought to question why his client was held in solitary confinement. The Court finally decided to postpone the hearing to a date to be set later.

Break Fast

When the Court adjourned the two accused were given tea and cakes — their first food since Friday — and were permitted to talk to their lawyers and relatives in the presence of a police officer.

The two men complained of their detention with criminals who, they said, had insulted and threatened them. Sanitary conditions in the prison were very bad, they said, remarking that their beds were full of lice. They had tried to clean their mattresses, but their warders had objected. Keinan said that when he had complained to the chief warden he had been told "not to behave like in a kindergarten."

When they started their strike on Friday they were locked up separately in [illegible]. Keinan said that the [illegible] of their cells were not kept by the warders but were held separately in another wing of the prison. Even if someone were to hang himself the warders could not get in quickly, Keinan observed.

Ben Yair said that the two accused had refused to don their soiled clothes this morning to appear in Court, and had then been forcibly dressed. Ben Yair appeared in court barefoot, carrying his shoes.

GOV'T APPROVES LOAN FOR RITUAL BATH

HOLON, Sunday (ITIM). — The Ministry of Finance has approved a IL.10,000 loan to the Holon Municipality for the construction of a ritual bath and adjoining mortuary.

The Mayor of Holon, Dr. H. Kugel, has appealed to the Ministry for Religious Affairs for a loan of IL.10,000 for the construction of a synagogue in the new Kessem quarter here, which now has 10,000 inhabitants.

Joseph Asks Public to Aid Gov't in Boosting Tourism

A two-week tour of Israel costs an average of about $250, or about the same as in most other countries that cater to tourists, Dr. Dov Joseph, the Minister of Commerce and Industry, informed the nation in his monthly radio broadcast last night.

Charges, including trips and lodging, amount to between $12 and $20 per day. A total of [illegible] tourists came to Israel in the first half of this year, he said, of whom about 80 per cent arrived by plane.

Special attention has been given to attract Christian tourists to visit the Holy Places in Israel. A joint committee of church representatives and tourist officials has been set up to guide pilgrimages and advise pilgrims in general.

The Minister called for an all-out effort on the part of the public to befriend and aid visitors, so they might leave Israel with a good impression.

"It is difficult to estimate the damage done by those people, who, in dealing with tourists in their line of work, tell false tales of poor conditions in the country to extract from them some dollar gifts or Scrip certificates," Dr. Joseph said.

About 1,000 rooms suitable for tourists are being added to the present 1,500. It is hoped that the project will be completed by the end of 1953. The ten new tourist buses will transport 300 tourists daily; and other projects, such as the marking off and paving of the roads leading to historic sites, the planting of gardens and the acquisition of tourist boats, will further enhance the country for the visitor, the Minister said.

Shoes Discussed

Turning to complaints about the poor quality of some brands of locally-manufactured shoes, Dr. Joseph said that 10 manufacturers have had their raw material allocations stopped and 18 other cases are being dealt with by the Ministry's Leather Division.

"California brand children's shoes will no longer be made, because experience has proved them unsuitable for children in this country," he stated.

Justifying the new rise in electric rates, the Minister said that the companies' labour and import costs rose considerably, due to the lower rate of the Pound.

"In the case of the electric companies, every single expenditure can be ascertained," he said.

Fifty tons of coffee are due to arrive in the s.s. Richard Borchard in Haifa tomorrow.

Higher rates for above-average consumption were fixed according to the number of rooms of the majority of consumers, both to reduce the load of power consumption and to save the consumers' electricity expenses. As for the increase in the [illegible], they were directly necessitated by the lowering of the exchange rate. Even with the increase, the companies will not be able completely to fill their revolving capital gap, which amounted to IL.1.5m., he said.

The Minister noted the improved food supply and the distribution of rations on schedule last month. Since, however, the coffee rations were still not completed, there will be three instead of two distributions in July and August in addition to a [illegible]-gram ration of cocoa for children. The [illegible] ration will be increased by 100 grams starting this month, he announced.

Milk, which is now not rationed, is to be enriched with protein and fat, and will contain [illegible] per cent liquid milk.

Eight Eggs Monthly

It is hoped to continue the ration of eight eggs a month despite the premature reports of a weekly ration of one egg. The vegetable supply last month exceeded that of any previous July, he said. Although this month's vegetable supply will be lower than last, it will still be well above that of the previous years. Tinned vegetables will be marketed from the end of this month through October, to offset the seasonal decline in fresh crops.

"The calory content of our food during the first half of this year is higher than it was in 1950 or in 1951, except in fresh protein, and that because of the decreased egg yield. Nevertheless, the protein consumption is up by 10 grams daily over previous years," he said.

Although the food standard is lower than the U.S., Canada or Australia, it is much higher than in many other countries, such as Italy, Greece and Turkey. The mineral content, such as calcium and iron, was also up to par. Although there is no basis for complaints of undernourishment the Ministry will take any suggestions from the Medical Advisory Council to vary the diet, or increase specific rations.

FOOD VALUES FOR 1951-2 COMPARED

Jerusalem POST Reporter

The following figures compare [illegible] values of food consumed in June of 1951 and 1952. June 1952 will be seen to be below the 3-month average.

	June 1952	June 1951	April-June Average
Calories	2,476	2,460	2,600
Carbohydrates	452 gr.	397 gr.	437 gr.
All proteins	77.3 gr.	76.2 gr.	82 gr.
Animal protein	22.1 gr.	23.2 gr.	25.2 gr.
Fats	61.3 gr.	63.3 gr.	60 gr.
Calcium	737 mg.	697 mg.	775 mg.
Iron	12.4 mg.	11.9 mg.	13.3 mg.

Ford Grants $2.9m. For Refugees

GENEVA, Sunday (Reuter). — The American Ford Foundation has made a grant of $2.9m. for Europe's 12 million refugees, it was announced here last night.

The fund will be administered by the U.N. High Commissioner for Refugees, Dr. G.J. van Heuver Goedhart.

The Foundation said that the refugee problem is acute and serious, and a threat to peace. It declared that the millions of people already driven from their homes "belong to the sturdiest and most creative of European citizens."

The aim of the grant is to "help repair the intellectual and moral damage that has been inflicted on many millions of freedom-loving people."

The grant stipulates that there must be no discrimination between refugee groups and "so far as possible the emphasis should be on youth."

General Zionists Ask Cuts in Gov't Spending

TEL AVIV, Sunday. — A nine-point "recovery programme" was made public here tonight at a meeting sponsored by the General Zionists' Knesset faction in the Rena Cinema.

The programme calls for cuts in government spending. Ordinary expenditure, it was stated, could be reduced by retrenchment in the administration, dismantling the machinery for economic controls and abolishing duplication in administration, for example in the Education Ministry where the partisan school system was costly.

In the Development Budget, the party programme called for an end to public works for relief purposes and for the transfer of public housing activities gradually to private builders. Agriculture did not need any more new equipment. Emphasis in the Development Budget, it was stated, should be on water, power and transport.

The programme further advocated an [illegible] credits and a long term loan for consolidation of debts. In the [illegible] sphere, they called for a [illegible] loan covered partly by foreign currency or gold.

Kick From Horse Kills Haifa Man

HAIFA, Sunday. — A kick from a horse was fatal for Sa'ad Suleiman Makiani, 60, of Daliat El Carmel. He died from his injuries in Rambam Hospital here yesterday, three days after the accident.

Southern Winds Lift Humidity

Hot southerly coastal and desert winds raised the temperatures and humidity of the [illegible] yesterday, the Weather Bureau reported. [illegible] August.

[illegible] (90°F.) and Jerusalem [illegible] 85 degrees with the same [illegible] humidity. Mt. Cana'an continued to be the most pleasant spot in the country with a day [illegible] per cent humidity.

Merchants Claim Public Wants Only the Best

TEL AVIV, Sunday (ITIM). — Because the public was "spoilt" and refused to buy any vegetables not of the first grade, a spokesman for the General Merchants Association claimed today that vegetables sometimes had to be thrown away.

He said the Knesset should have passed a law making the assortment of vegetables into grades obligatory. The public also refused to buy eggplant and peppers, which are plentiful, and demanded onions, carrots, beans and cucumbers, which were in shorter supply.

Greengrocers told the press that the vegetable market in Tel Aviv was inadequate for the 2,500 merchants who use it and who have to spend from 3 a.m. to 11 a.m. to get their supply. It was no wonder that they are cross, tired and often unfriendly to their customers, they said. They also claimed the wholesalers bid prices too high.

TOUR. — Harold Holt, Australian [illegible] Minister, [illegible] yesterday for [illegible] after a six-day visit to the Israeli capital. He is on a tour of [illegible] in Australia.

Rokach Asks Gov't To Help Pay Wages

Jerusalem Post Bureau

TEL AVIV, Sunday. — Mayor Israel Rokach gained the support of the entire Municipal Council tonight in asking from the Ministry of the Interior permission to obtain an overdraft of IL.900,000 to enable the Municipality to pay June Salaries.

According to local Government regulations a local authority is entitled to overdraw its bank accounts by five per cent of its annual budget provided that the sum is repaid within the financial year.

The Mayor, referring to his dwindling treasury, pointed out that the Municipal income last month amounted to IL.600,000 instead of the expected IL.1.2m. and that he thus had no funds from which to pay salaries.

The council also resolved to ask Municipal workers to be patient and to refrain from any hasty action.

The Mayor also stated that the Government owed the Municipality money for the past three years, and said it was inconceivable to him why it had not yet been paid, particularly in view of repeated recommendations of the governmental committee on local Government problems.

The committee which was appointed last May and was due to publish its conclusions within a month had not yet done so, the Mayor said.

Speaking about this year's budget Mr. Rokach announced that the increase in the cost of living for the current year amounted to IL.[illegible] and suggested that the extra expense be covered by increasing the garbage tax by 15 per cent.

J'lem Council Opposes School Funds Cut

Jerusalem POST Reporter

The Jerusalem Municipal Council voted last night to oppose the Government's proposed 10 per cent cut in its education grant to the city.

In the voting Dr. P. Jacoby (Progressive), who is a member of the leftwing opposition, supported the nine members of the coalition who were present. The other seven Mapai-Mapam opposition members abstained. Earlier, a proposal by Mr. A. Kublanoff (Mapam) to demand 100 per cent support from the Government for education costs, was defeated.

Mr. S. Sharf (Mapai) stated after the vote that his group had abstained in protest against the coalition's "[illegible]" which yielded nothing but false figures and a [illegible] of [illegible]. It had been maintained that Acting Mayor E. Eliashar's letter to the Ministry of Education contained figures on education costs which were at variance with figures in the actual 1952-53 budget.

Mr. Eliashar said that the difference had developed following a rise in costs. He and other coalition members argued that the central issue was whether to accept the Government's reduced grant which would cost the city an extra IL.100,000.

It was also reported that the city workers' council will meet on Wednesday to discuss the possibility of another strike if a majority of employees are still paid their July salaries by that time.

Mayors Agree On Jerusalem Grant

The Jerusalem Municipality is to ask the Government for a special grant for the improvement of the capital, it was decided at a meeting of Mayors and local authorities in Tel Aviv on Friday.

The suggestion, which was made by Mr. E. Eliashar, the Acting Mayor of Jerusalem, was accepted unanimously by the assembly.

Youth Who Crossed Line Remanded

Zevulun Shafik, the 17-year-old boy who was returned to Israel on Friday after being held by the Arab Legion for two months, was remanded for six days by Jerusalem Magistrate Y. Cohen yesterday.

Police are investigating information that the youth crossed the border intentionally. Shafik pleaded in Court that he crossed the lines near Bet Nabalah without knowing that he was in Jordan territory. (Itim)

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Diesel Locomotives Unloaded at Haifa

Jerusalem Post Bureau

HAIFA, Sunday. — Two of the three 85-ton Diesel locomotives which arrived from Belgium in the s.s. Drenth on Thursday night, have been unloaded and are standing safe and sound on a port railway track. The unloading was a major operation, probably the most ticklish discharging job that the port has handled. Captain J. Blatt, captain of the 10-man crew of the 2,000-ton [illegible] floating crane, Mr. H. Gershon, of the Shoham Company, and Mr. A. Noak, General Motors expert from the U.S., were all responsible for the unloading. The third engine will be discharged tomorrow.

The special unloading gear that holds the locomotives steady while they are being handled on the crane, took five hours to assemble and another two hours were needed to fix the four prongs at the exact balancing point of the locomotive chassis. These prongs had to fit within one centimetre of the points, a job made difficult by the ship and crane movements on the water. The second locomotive was more difficult to handle as the ship developed a four degree list when one engine was taken off.

With the engines steady on board, the giant crane moved to the jetty, and swung its load up and over the rail-tracks on which all eight wheels had to land simultaneously. As the locomotive was lowered onto the jetty, the crane developed an eight degree list. Four men with guide ropes manoeuvred the locomotive into the exact position over the tracks, and on Captain Blatt's command the locomotive made a perfect eight point landing on the rails at the first attempt. A large crowd of onlookers watched the landing.

Locomotives are usually transported on specially fitted ships, but Shoham agreed to carry the engines in [illegible] the cost of a special vessel would have cost more than the total value of the three locomotives, Mr. Gershon said.

800 AT WORK IN HAIFA PORT

HAIFA, Sunday. — Some 800 workers, 23 gangs, were working in Haifa port today, the largest number of labourers active in the port for several months.

The s.s. Italico, which brought 9,800 tons of wheat for the Ministry of Commerce and Industry, and which was scheduled to discharge her cargo in 13 days, will complete the work in eight or nine days. Workers are discharging the vessel at the rate of 1,200 to 1,500 tons daily compared to the 750 tons stipulated in the contract.

Thanks to the speedy work, about $2,000 in dispatch pay will be repaid by the ship.

S.S. ATLIT DUE FROM FRANCE

HAIFA, Sunday.—The 12,000-ton s.s. Atlit, which the Zim-Israel Navigation Company bought in France six months ago, is due to arrive in Tel Aviv for the first time on Wednesday.

She is bringing cargo from the U.S. and Northern Europe including 4,000 tons of steel for pipe-making and general cargo bought mainly from U.S. Technical Assistance founds.

The vessel is to undergo extensive internal reconstruction at Haifa.

SONG FESTIVAL STARTS THIS WEEK

TEL AVIV, Sunday. — The main event of the "Hazamir" World Assembly of Jewish Choirs, due to begin on Wednesday and last for a fortnight, will be the mass performance of 2,000 singers in 60 choirs at the Ramat Gan Stadium next Sunday, Mr. A. Z. Propes, local Director of the scheme, told the press here today.

The formal opening of the Assembly will take place on Mt. Herzl in Jerusalem on Wednesday. The 840 singers from the U.S., Canada, Britain, Ireland, France, Belgium, and Italy began arriving in Israel today by Shoham ships and El Al chartered airplanes.

Locusts Swarm Over Indian Subcontinent

KARACHI, Sunday (Reuter) — Locusts are swarming over the Indian subcontinent in possibly the biggest invasion in its history, according to the Pakistan Director of Plant Protection.

Over 40 swarms have been reported in an area extending from the North-West Frontier Province through the Punjab, Bahawalpur, Khaipur, Baluchistan and Sind down to the suburbs of Karachi. Anti-locust teams with aircraft are attacking the swarms on the ground and in the air and crops are being sprayed protectively.

JAPANESE ARREST FRENCH SAILORS

TOKYO, Sunday. — A further problem of adjustment between Japan and its new allies was raised yesterday when Yokohama police arrested two French sailors charged with beating and robbing a Japanese girl.

The sailors were said to have forced their way into a Japanese house, beaten the girl, and run away with her necklace and 400 Yen in cash.

This is the second time in recent weeks that the Japanese have implemented their claim to the right to arrest non-American allied service personnel. In the first case they arrested two sailors from the H.M.S. Belfast on a charge of assault and robbery, and have so far refused to hand them over to their own officers for trial, even after a request by the British Ambassador. (U.P., Reuter)

I.R.C. THROWS OUT SOVIET OBJECTIONS

TORONTO, Sunday (Reuter). — The conference of the International Red Cross today threw out Soviet bloc objections to the organization's International Committee by a 62 to 16 vote to support the group's work.

The Communists had contended that the Committee, made up of 25 Swiss citizens, was not impartial and not a true international body.

100 Cars, 20 Philcos Off To Scandinavia

HAIFA, Sunday. — Over 100 Henry J. cars were loaded in the s.s. Bunnanland here today. They are being sent to Norway and Sweden.

The ship will also take 20 Philco refrigerators and five tons of textiles and general cargo.

SCHIFF TO REMAIN

TEL AVIV, Sunday. — Mr. Yeshurun Schiff, head of Police Headquarters Criminal Investigation Division, will not resign, it was learned here today. Mr. Schiff had submitted his resignation, but later changed his mind.

ORCHESTRA

SPECIAL CONCERT
Ramat Gan: Amphitheatre
Monday, Aug. 4 at 8.30 p.m.
Conductor:
MILTON KATIMS
Soloist:
RAPHAEL ARIE (Bass)
Overture "Italian in Algier" — ROSSINI
Symphony No. 1 in C Major — BEETHOVEN
Aria from "Don Giovanni" — MOZART
"Swan of Tuonela" — SIBELIUS
Aria fr. "Il Vespri Siciliani" — VERDI
Suite fr. "Love of Three Oranges" — PROKOFIEFF
Sale of tickets as from TODAY at the I.P.O. Office, 56 Allenby Rd., (11-2, 4-6) and at "Tarbut," 49 Rehov Bialik Ramat Gan.
Special bus service from 7.30 p.m. from Rehov Sirkin corner Rehov Mendele and after the concert from the Amphitheatre.

Catholic Body Raps U.S. Asian Policy

WASHINGTON, Sunday (Reuter) — The U.S. has a "white supremacy" policy which damages its moral leadership in the world, a subcommittee of the Catholic Association for International Peace said today.

The association's subcommittee on Asia criticized what it called "discriminatory" U.S. laws that assign "practically prohibitive" immigration quotas on Eastern peoples. "The migration of some of these peoples is only a minor part of the vast programme that must be undertaken to give them a better life, but it is an important step that cannot be delayed without serious consequences," the Catholic group declared.

Cabinet

(Continued from Page 1)

5m. The amendment would increase the total sum to IL.6.5m. It is understood, that the additional IL.1.5m. will be used to finance the Development Budget.

Another bill would retroactively make legal tender the 50 and 100-pruta paper notes, issued a few months ago to ease the shortage of coins.

The Bill of Accountants would establish a Public Accountants Council. The Council would establish a Disciplinary Court to deal with violations of professional ethics. The bill also stipulates the qualifications for becoming a Public Accountant, including the minimum age of 25 and two years of previous professional experience. It forbids Public Accountants to advertise their services.

The Council would have the right to reprimand, suspend or even expell those who violate the ethics of the profession.

Another draft would amend the Rabies Regulations, which empower the authorities to kill dogs suspected of having the disease. The amendment states that any dog not vaccinated against rabies can be considered as diseased.

The Cabinet communique stated:

The Cabinet at its weekly meeting yesterday heard the Foreign Minister's survey of the political developments in Egypt.

It was decided to publish a declaration of the Government's ownership of sub-oceanic areas beyond the territorial waters.

The following bills were approved and will be brought before the Knesset: the Loan Law (Financial Institutions), the Accountants Law, an amendment to the Anti-Rabies Regulation, and the Societies Ordinance.

The situation of the Jerusalem Municipality was discussed.

Cables in Brief

COFFEE.—More than 25,000 [illegible] of Guatemalan government-owned high-grade green coffee will be auctioned to U.S. and European coffee buyers on August 7, according to an announcement by the Central Coffee Office in Guatemala City yesterday.

STALIN.—Marshal Stalin yesterday attended a celebration in honour of Soviet railwaymen. Marshal Stalin attended, Tuesday [illegible] members of the Politburo, the Marshal was present at the open-air theatre in Moscow's Park of Rest and Culture on the occasion of the formal opening of Railwaymen's Day, which is being celebrated throughout the USSR today.

VISITORS.—A group of Turkish journalists will come to Yugoslavia for a 20-day visit at the beginning of the coming week, Tanjug, the official Yugoslav news agency, reported yesterday. West German journalists are expected in September.

ELECTIONS. — Eight million South Koreans will elect a new President and Parliament in the Republic's second national elections tomorrow. For the first time the President will be chosen by popular vote instead of by the National Assembly. President Syngman Rhee is expected to be re-elected.

RIOT.—Two Indians and an African were killed and 12 Indians injured when a mob assaulted the Indian government offices in Chittenden, Indian Swaziland, [illegible] yesterday. Several Somalis have been arrested.

GIRL GUIDES.—An international conference of more than 1,100 girl guides opened in Paris yesterday. Aged 17-25, they include girls from Austria, Belgium, U.K., Denmark, Egypt, Finland, Germany, Greece, Italy, Lebanon, Liechtenstein, Luxembourg, Norway, Holland, Sweden, Switzerland, Syria, U.S. and France.

INSPECTION.—The U.S. Undersecretary of Defence, Mrs. Anna Rosenberg, arrived in Istanbul on Saturday for a three-day visit to study the work of the American Aid mission and to discuss military matters with the Turkish authorities. She will then proceed to North Africa.

Four Zulus Killed By Express Train

JOHANNESBURG, Sunday (UP). — Four Zulus were killed in the suburb of Toronga yesterday when an express train smashed through a fighting mob streaming across the tracks.

Chanting war cries, about 100 Zulus chased a band of Basutos who had been terrorising the Johannesburg suburb of Newclare.

At Toronga station they were met by police who were unable to stop them. The Zulus set upon a crowd on the platform and chased them across the tracks oblivious of the oncoming express. The tracks were strewn with bodies of wounded natives before the train could stop.

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FROM JERUSALEM		
To Tel Aviv	7.45 a.m. 4.45 p.m.	7.45 a.m. 1.45 p.m.
To Haifa	7.45 a.m. 4.45 p.m.	7.45 a.m. 1.45 p.m.
FROM HAIFA (Central)		
To Jerusalem	7 a.m. 4 p.m.	7 a.m. 3 p.m.
To Tel Aviv	7 a.m. 10.00 a.m. 4 p.m. 4.34 p.m.	7 a.m. 3 p.m. 3.10 p.m.
FROM TEL AVIV		
To Jerusalem	9 a.m. 6 p.m.	9 a.m. 3 p.m.
To Haifa	8.20 a.m. 9 a.m. *2.21 p.m. 6 p.m.	8.20 a.m. 9 a.m. 3 p.m.

* Northern Station
[illegible]

70th ANNIVERSARY OF RISHON LEZION

Residents and former residents of Rishon LeZion and Rishon youth serving in the Israel Defence Army are cordially invited to take part in the town's 70th anniversary celebrations. Likewise the public all over the country is invited to participate in Rishon LeZion's festival.

The celebrations will take place on Tuesday, Wednesday and Thursday (August 5, 6 & 7) in the presence of the Prime Minister, the Deputy President and other leading personalities.

TODAY, THE EVE OF THE CELEBRATIONS, A SYMPOSIUM will be held at 4 p.m. at Lovestin Bet Hatarbut, under the auspices of the Executive Council for Culture. The symposium will be devoted to problems of integrating the immigration. The main speaker will be the Minister of Education and Culture, Prof. B. Dinaburg. M. Smilansky, Prof. S. Bergman, Yaakov Uri, Y. Berginsky and M. Tsviv will also speak.

THE JUBILEE EXHIBITION (Historical, Agricultural and Industrial) and the EXHIBITION OF RISHON LEZION ARTISTS will be opened on Wednesday, August 6 at 11 a.m.

Officers in command of Israel Defence Army units are requested to facilitate the participation of Rishon LeZion soldiers in the celebrations.

Details of the programme are given in advertisements. Transport will be assured until 1 a.m. during the celebrations.

THE JERUSALEM
POST

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Monday, August 4, 1952
Av 13, 5712 — Zilkada 13, 1371

IRANIAN FASCISTS

THE emergence of an active Fascist movement in Persia is one of the most disquieting recent developments in that country. It has added an additional element of danger to a situation which is already explosive, and is of particular concern to minorities whose position has already been affected by xenophobia. The political climate in Persia is governed by the competition between the Communist Tudeh and right wing groups each endeavouring to outdo the other in nationalism. This has created an ideal breeding ground for a group which is headed by a recent arrival from Germany whose symbol, fittingly enough, is the swastika.

The shortlived moderate government of Ahmed Ghavam Sultaneh was ousted by a coalition consisting of Dr. Mossadegh's "National Front" and the Communists, but it would appear that a showdown between these two main forces in Persia is inevitable in view of the Persian Prime Minister's attempt to renew negotiations with the World Bank. If successful this would lead to a renewal of oil operations in Persia and to some improvement in the country's financial situation.

The Communists on their side would stand to lose by stabilization and the strengthening of the government's position and they are expected to fight it to the end.

In these conditions the ruling National Front and the Communists must compete for the support of the rightwing extremists, Moslem fanatics and "Pan-Iranian" fascist forces. Dr. Mossadegh's National Front is a loosely knit organization—it is not a party and was never intended to become one. Its mass support has come mainly from the Persian Labour Party headed by Dr. Baghai, a follower of Dr. Mossadegh, and from the militant friends of the former Axis agent, Ayatollah Kashani. One of Kashani's many sons, Mustafa, heads the semi-fascist storm troopers "Mujahid Islam" who joined the Communists in the recent Teheran demonstrations and meetings.

Even more to the right are the "Fadayan Islam," a small but powerful terrorist sect headed by Safawi, who killed General Ali Razmara and drove Dr. Mossadegh to take shelter in the Majlis. At the far end of the lunatic fringe are the "Pan-Iranian" Fascists whose ideology is based less on Shi'ite religion than on racial chauvinism. The "Pan-Iranian" stormtroopers, recruited from the local toughs, wear blue uniforms with swastika armbands and have already indulged in assaults on Jews, whom they denounce as "foreigners."

There has been little consistency in the line taken by these groups: Kashani has usually (but not always) supported Dr. Mossadegh, while the still more extreme organizations have wavered between collaborating with him and the Communists. Both the prestige and the effective strength of the security forces (never very high) have been greatly weakened by recent events in Teheran and it is doubtful whether they would be able and willing to suppress a new coup staged by either the Communists or the extreme right.

That the Tudeh will not engage in revolutionary experiments unless it receives explicit instructions to do so, appears quite plain. But though Persia at present is a no-man's-land from the point of view of power politics, it cannot be said that this danger is entirely absent. It would result, in all probability, in a civil war with perhaps incalculable international consequences.

The fascist forces are even more unpredictable because they are not dependent on instructions from anywhere. The wooing of these forces by Dr. Mossadegh will hardly cause much astonishment, while similar efforts made by the Communists will surprise only those who have taken the "anti-fascist" propaganda of the Communists at its face value. All in all, a situation has been created, and not for the first time in recent history the danger to world peace coincides with perhaps a more immediate danger to hapless minorities of whom the Jews are the most vulnerable.

CROWD BREAKS UP FASCIST MEETING

LONDON, Sunday (INA). — A crowd of about [illegible] [illegible] speakers at a meeting arranged by the British Union of Fascists in Salisbury last night.

The crowd smashed through a police cordon and pelted speakers with tomatoes and cabbages.

SOVIET SUBS SUSPECTED OF MINING ITALIAN PORT

ACTION OFF NAPLES

By LEO HEIMAN

A depth-charge explodes during anti-submarine exercises in the Mediterranean. Express Photo

AT dawn on June 20, 1952, Italian fishing-craft out of Sorrento spotted a number of mines floating in the Bay of Naples between Sorrento and Capri. Three Italian minesweepers, which came out immediately, tracked down the bobbing mines and exploded them with gunfire. One mine was "deloused" and taken aboard for examination.

A thorough check-up by experts and intelligence officers proved that it was a German-type mine, set to explode at the lightest contact. However the mine didn't look as if it had been in the sea for nine years. It looked quite new, with no sign of corrosion. The Bay of Naples has been swept and reswept for mines hundreds of times since the liberation of the city in 1943, and the contact mines the Germans used to plant in that area during the war were all anchored. They didn't drop floating mines for fear of sea currents carrying them to where they could hurt their own shipping. Moreover, there was no sign of a broken anchor line.

Busy Area

In such a lively shipping area as the Bay of Naples, where 11 shipping lines converge no ship could have passed the area without hitting one of the mines. Preliminary investigation pointed to Albania-based Soviet submarines as the only possible culprits.

However, after four weeks of feverish investigation by all NATO intelligence agencies, the evidence, although very convincing, remained circumstantial at best, and as long as there was no actual proof of Soviet subs' participating in the minelaying operation, no action could be taken. Summing up the evidence, conclusions and guesses, a high-ranking American naval officer of Admiral Carney's Headquarters said: "A big squadron of the U.S. Sixth Fleet, led by the heavy carrier USS Coral Sea and the cruisers USS Baltimore and USS Worcester, and consisting of five destroyers and 13 other warships, was due to arrive in Naples on June 20. The squadron steamed through the Bay of Naples in formation in the night of June 19 and dropped anchor in the harbour.

It is known that a squadron of Malutka-class coastal-type Soviet subs is based upon the renovated Saseno Submarine Base in Albania. Most of these submarines were converted to minelaying after the last war.

Among the prizes gained by Russia at the end of World War II were some of the best of German mine types, and the services-on-call of the best German designers and technicians. In any case, the Russians have always been masters at mining and are officially recognized now as the world's leading power in mine warfare.

Defence Difficult

The advantage of minelaying as seen from the Soviet point of view is that the submarine does not immediately disclose its presence, as it must when it uses a torpedo. The minefields call forth tremendous efforts on part of the defence to clear and keep clear the entrances to harbours, bays and canals, which all ships must pass both at the beginning and at the end of their voyage.

In a landlocked sea like the Mediterranean, mine warfare has several additional advantages for the Soviets: The Mediterranean's shallow waters, with its many gulfs, bays, channels, islands, ports and harbours are an ideal area for minelaying. Just five minefields in the Mediterranean — at the approaches to the Dardanelles, Gibraltar, Suez Canal, Sicilian Channel and the Messina Strait — can bring all maritime traffic to a standstill indefinitely, provided anti-minesweeping measures are also carried out simultaneously. Anyway, a fixed minefield can be swept, but a floating minefield is an omnipresent menace, and that is precisely what the Soviets intend to do in case of war for the simple reason that they have no shipping of their own in this area which could be jeopardized by floating mines. In fact, floating mines would be the only logical weapon for them to use, since any ship that hits such a mine would be an Allied one.

Off Schedule

The Malutka subs, which cannot be used in the vast spaces of the Atlantic or the Pacific are, on the other hand, ideal for minelaying operations in the Mediterranean. The reason that the American warships passed through the mine-infested area unharmed on June 19-20 could be either that the Americans arrived ahead of schedule, or that the Soviet subs were late, which is more likely. The fact that the mines had German wartime manufacturing marks can be dismissed as a clever piece of camouflage. They were not intended to be discovered, because their mechanisms were set to sink them after floating for several hours on the surface. It is believed that had the subs arrived a little earlier, one or more American warships would have been sunk or damaged, and the casualties would have been attributed either to German wartime mines or to internal explosions, since the rest of the mines would have sunk by dawn.

Readers' Letters

QUESTIONABLE EXPERT

To the Editor of The POST

Sir, — In your issue of July 29, you published the Minister of Communications statement that the unsuitable port cranes valued up to $80,000 were purchased on the advice of an expert.

In my opinion it is most important to ascertain who engaged this expert and what were his qualifications. Now that the damage caused has been discovered it should be made sure that this expert does not continue to purchase further goods on behalf of the government or any other public body.

Yours etc.,
M. E.

Tel Aviv, July 29.

ETHNIC RECORDS

To the Editor of The POST

Sir, — The founding of an ethnological museum was an idea conceived by me during our War of Liberation. As an inspector for the Custodian of Absentee Property I brought together in Acre and Galilee a collection of objects of Arab folklore as the basis for a museum. The collection was taken over by the Acre Municipality and put into the main tower of the Acre Citadel as the premises for the museum-to-be. This idea had the full support of the Government Department of Antiquities, but as yet no further action has been taken.

Mr. Gillinson's suggestion in his letter "Ethnic Record" in your issue of June 26, about collecting objects from the different Jewish ethnic groups now in the country was put forth by me in a memorandum to the Cultural Department of the Haifa Municipality on December 18, 1951, which was approved of but matters are still in a preparatory state.

Mr. Gillinson is absolutely right when he says that we must collect these objects before it is too late.

Yours etc.,
(Dr.) ZEEV GOLDMANN

Haifa, July 15.

PEN FRIENDS

I WOULD LIKE to correspond with a lady who can read and write English in order to learn about the people and customs in your country. I am also interested in exchanging stamps. [illegible] California, U.S.A.

CHARLES WELGEMOED, c/o Barclays Bank, Kroonstad, South Africa, who is 20 years old and interested in stamp collecting, swimming and reading would like a pen pal in Israel.

GERARD BODSON, [illegible] Waverly Ave., Montreal, Canada, is interested in receiving used stamps.

I AM of Jewish descent and am interested in the lives and hopes of the Jewish people. I am married and have one child. I will answer letters sent to me by men or women between the ages of 20 and [illegible]. I am interested in stamps, sports, civic and government affairs and the classics. I am [illegible] years old and a veteran of World War II. Joseph [illegible], [illegible] East [illegible] St., Cleveland, Ohio, U.S.A.

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DEVELOPMENT BUDGET AND WAR ON INFLATION

SYMPTOMS OF ECONOMIC RECOVERY

By ELIEZER LIVNEH, M.K.

THE 1952/53 Development Budget has now been placed before the Knesset, four months after the beginning of the current fiscal year. The very general nature of the various items of both income and expenditure do not permit of very detailed analysis. Nevertheless some of the more salient characteristics of the new budget are immediately recognizable.

The new Budget differs favourably from its predecessors which were of a strikingly inflationary character, and stimulated an exaggerated consumption of goods, an increase in currency in circulation out of all proportion to the volume of goods available, brought a new era of prosperity for the black market and caused a decline in individual output. In the present Budget the proportion of investment in consumer-goods production, and especially in agriculture, is comparatively high. Some of the public works in the budget also appear to indicate the construction of roads to link up new settlements and mining projects with their future markets. These are, accordingly, both essential and productive (and may, in the long run, be paid for by the beneficiaries).

Realistic Estimate

The items of income, too, (also rather vague) show symptoms of economic recovery. Receipts from the Independence Bond Drive have realistically been estimated at 40 million dollars. However, it may well be that even this figure errs on the optimistic side, for loans have been received in recent months on the strength of the Loan's future Bond sales.

The third item of income, "special counterpart payments," may well point to a change for the better. Whatever the nature of these counterpart payments, the amount by which Israel will benefit from the funds of the American Grant-in-Aid, is not included in the estimates. Perhaps it is permissible to assume that the Minister of Finance intends utilizing a substantial part of these funds to withdraw banknotes from circulation as a fresh anti-inflationary measure, in an effort to stabilize our currency. The Americans, we may suppose, would not oppose such a measure. Under our conditions it is difficult to imagine a more prudent or productive use of these funds.

The Development Budget, however, is too large. While it is true that, taking into account the real value of the Israel pound, it does not exceed the previous year's, it must be borne in mind that the 1950/51 was of an outstandingly inflationary character. During the sessions of the Knesset Finance Committee, the Minister of Finance, the late Mr. Eliezer Kaplan, emphasized that the Budget would not go beyond the hundred million mark. Indeed it was only with difficulty that Mr. Kaplan agreed to this figure. The additional fifteen millions thus come as something of a surprise.

Inadequate Allocation

The allocation for agriculture is inadequate. Closer scrutiny reveals that the funds allocated for the establishment of new settlements are relatively small, compared with those provided, directly or indirectly, for the more developed areas. In whatever degree such a diversion of development funds is necessary the Minister must ensure that the older settlements really absorb newcomers and not merely increase their existing inventory of farm machinery or raise the income per worker. These objects are, of course, eminently desirable, but they must be financed out of ordinary credits and not by the Development Budget, whose prime purpose is the absorption of new immigrants.

The allocation for industry, on the other hand, is excessive. The problem of Israel's industry is not lack of means of production, but chronic shortage of raw materials. Every new industrial enterprise requiring government aid must be minutely examined, for the advantages to be derived from such an investment are likely to be of doubtful value.

"Industry" embraces mining projects too. Wherever ordinary capital is not forthcoming for development the Government must step in. But the Minister of Finance would do well if (after due consultation with the Minister of Development), he were to confine the limited financial resources of the State to a few selected projects. Thus if any private or cooperative concern (or both jointly), is prepared to undertake the exploitation, let us say, of a mine, it would enjoy the State's blessing, but no more. If, on the other hand, the State should decide to undertake such a project its ownership and responsibility must be exclusive. Vagueness in the delimitation of spheres of operation is not healthy. Instead of joint responsibility, it would, perhaps, be wiser to define the functions: one project being developed by the State, another by private or cooperative enterprise.

Public Works

Allocations for road-building, public works and housing have been reduced, compared to previous Development Budgets but they are still too high, when it is recalled that a substantial part of these funds is transferred to diverse local authorities by whom they are augmented. Undoubtedly housing development in agricultural or isolated areas is justified, to render the villages and the outlying districts more attractive. But it is extremely doubtful, to say the least, whether it is the function of the State to stimulate housing construction in congested areas, and especially in the coastal zone from Rehovot to Hadera, and the Tel Aviv hinterland. Any state with a policy of regional planning would probably combat further congestion in such areas. Certainly it is inconceivable that it would encourage it with public funds. In view of the inflationary character of state-financed housing, the value of such initiative is more than dubious. Indeed it is mistaken from every point of view.

Finally, one vital question, not covered by the Development Budget, must be put to the Minister of Finance. Shall we continue to lose Government funds by placing budget funds at the disposal of private interests at the artificially low rate of the dollar? The Government has acknowledged its error in allocating the Import-Export Bank credits at the ridiculously low rate of 350 pruta to the dollar; it has endeavoured to remedy its mistake by imposing a surcharge upon those benefiting from this arrangement. But the pound-dollar rate today is no less protectionist (for the beneficiary) or wasteful (for the State), than the dollar-360 pruta rate was two and three years ago. How can the grant by the Treasury of import values at half or a third of their international market value to consolidated enterprises (who constitute a very considerable proportion of those benefiting from the Development Budget) be justified? Even in regard to the new settlers the wisdom of such protectionism is very doubtful. The pioneers of Afikim and Nir David, the founders of Magdiel and Beth Yitzhak, achieved what they did without any such advantages. Why should these subsidies be allowed to their successors?

The entire problem invites careful examination.

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ALLIANCE ASSURANCE COMPANY LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 1950

	1950 £	1949 £		1950 £	1949 £
Balance brought forward	988,879	959,151	British Taxes	1,085,644	919,225
Investment Income	731,825	672,865	Expenses not charged to other accounts	182,550	196,161
Underwriting Profit	1,872,943	1,266,592	Contributions to Pension Funds	755,057	174,948
Life & Capital Redemption Profits	68,622	68,622	Transferred to General Reserve	500,000	50,000
Other Income	46,305	45,981	Transferred to Fire Insurance Account	—	300,000
Excess Profits Tax Provision no longer required	356,000	—	Provision for Dividend (after deduction of Income Tax)	376,250	385,000
			Balance carried forward	1,215,939	988,879
	£4,064,440	£3,013,211		£4,064,440	£3,013,211

Group Profit dealt with in the Accounts of the Holding Company £1,074,747 (1949: £812,206).

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1950

LIABILITIES	1950 £	1949 £	ASSETS	1950 £	1949 £
CAPITAL:— Authorised, Subscribed and Issued 250,000 Original Shares of £20 each. (£2. 4. -. paid up)	550,000	550,000	Fixed Assets (at cost less Amounts written off, and reserves thereon)	877,872	882,241
450,000 New Shares of £1 each (fully paid)	450,000	450,000	Investments (Less Reserves)	21,501,014	19,971,024
	1,000,000	1,000,000	Current Assets	4,872,004	4,062,101
Revenue Reserves (including balance of Profit & Loss Account)	4,882,685	4,091,345			
Insurance Funds (including Provisions and Reserves)	15,266,960	14,722,270			
Provision for Dividend (after deduction of Income Tax)	376,250	385,000			
Current Liabilities (including Provisions and Reserves)	5,724,704	4,706,951			
	27,250,690	24,915,366		27,250,690	24,915,366
Life Assurance and Annuity Accounts	28,381,946	27,923,596	Life Assurance and Annuity Accounts	28,381,946	27,923,596
	£55,732,636	£52,838,962		£55,732,636	£52,838,962

NOTES.

(1). Increases in excess of the Book Values on realisation of investments have been applied to write down the Book Values of other investments. Taxation in respect of realisations is dealt with in the appropriate Fund, and for Members' Investments in the charge against profits.

(2). Liabilities and current assets in overseas companies at December 31, 1950, have been converted at the rates of exchange then ruling. In respect of transactions during the year current rates of exchange have been used for the conversion of overseas currencies.

(3). The Investments, including overseas currency investments, stand in the books at Directors' valuation less reserves, the Stock Exchange Securities standing in the aggregate below the aggregate Market Values, which Market Values are arrived at by taking the Middle Market Prices (less accrued interest) on December 31, 1950.

REPORT OF THE AUDITORS

We certify that the above is a correct summary of the Consolidated Balance Sheet and Consolidated Profit and Loss Account of the Alliance Assurance Company Limited and its Subsidiaries, which have been prepared in accordance with the provisions of the Companies Act 1948.

KEMP CHATTERIS & CO.
Chartered Accountants, Auditors.

London, June 26, 1951.

ISRAEL PROFIT AND LOSS ACCOUNT AND APPROPRIATION ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 1950

CREDIT	IL.	DEBIT	IL.
Profit transferred from: Fire and Marine Branch Business	2,496,750	Profit for the year	2,636,750
Interest and Income not credited to other Accounts	140,000		
	IL.2,636,750		IL.2,636,750

We certify the above figures are correctly extracted from the books and records of the Company.
St. Swithin's House, 37 Walbrook, London, E.C.4.
July 24, 1951.

KEMP CHATTERIS & CO.
Chartered Accountants, Auditors.

Agents in Israel:
FIRE AND LOSS OF PROFITS:
BARCLAYS BANK (DOMINION, COLONIAL AND OVERSEAS), Haifa.
MARINE: THE JAFFA ORANGE SYNDICATE LTD., 28 Rothschild Blvd., Tel Aviv.